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Marxism Today

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Marxism Today

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Modern Revisionism and "Democratic Socialism"

John Gollan

FOR a number of years now the official leadership of the Labour Party has been developing a theoretical position regarding monopoly capitalism and the role of the state. This development of traditional British reformist theory has taken place on the background of relative capitalist prosperity (so productive of illusions regarding the nature of capitalism) and the crisis in social democratic thought following the experience of the 1945 Labour Government.

It was advanced as a counter to Marxist analysis and theory, with the aim of holding back the revolutionary development of the British working class. The whole shaky theoretical structure of "democratic socialism" is being daily undermined by the obvious economic difficulties of capitalism and the consequent growing class struggle. It is being rejected in fact and argument not only by the Communists but by ever increasing sections of the left and militant forces in the Labour and Trade Union movement.

In the Declaration of Socialist principles adopted by the Communist Parties of twelve Socialist countries last year, the point is made, "The existence of bourgeois influence is an internal source of revisionism, while surrender to imperialist pressure is its external source". The same point could be made about the current theories of John Strachey in *Contemporary Capitalism* and those of R. H. Crossman, C. A. R. Crosland and others in the *New Fabian Essays* of 1952.

Ever since the Second World War the major theoretical effort of British reformism has been to present contemporary capitalist society as something new, something fundamentally different from capitalism of the past. This effort makes use of many arguments, at the centre of which are the assertions that the economy is no longer controlled by the owners of capital, that the driving force in the productive system is no longer the aim of profit, and that the State—as an alleged independent force—now controls capitalism, keeps the monopolies in check, and guides the economy in a "social" direction.

This argument assumes that in some way the State intervention in the economy which has developed since the days of *laissez faire* capitalism has changed the nature of capitalism. Such interventions by the State are often treated as instalments of socialism, and it was from this standpoint too that the nationalisation of certain industries was presented as a big step towards socialism. In passing it might be noted that the most bitterly fought post-war strike in Britain, that of the London busmen, was in a nationalised industry.

The practical political outcome of the theoretical work of Strachey and others has been the new official Labour Party policy statement *Industry and Society*. With this statement the Labour Party aim of common ownership written into its 1918 Constitution is replaced by a vague "public control" of the monopolies and state participation in capital gains. Common ownership is replaced by shares in capitalism. "This new policy", wrote the *New Statesman* on July 20th, 1957, "is an attempt to come to terms with capitalism, not to replace it with a different form of social organisation. . . . There is nothing here to worry private enterprise unduly. . . . "

It is instructive to compare the common themes and roots of this modern reformist ideology with the revisionist ideas on modern capitalism and the State contained in the Draft Programme of the League of Communists of Yugoslavia. As has so frequently happened in past attempts to revise Marxism, the ideas put forward by the revisionists are not new, but are picked up from those already current in the reformist sections of the Labour movement and given an allegedly Marxist basis. Claiming that "Marxist thought in the course of the last few decades has not kept in step with the advance of contemporary society", and that it is therefore necessary to fill "gaps in the interpretation of contemporary social phenomena", the authors of the Yugoslav Draft Programme try to fill these alleged gaps with an interpretation of contemporary social phenomena much the same as that provided by the "theoreticians" of right wing Labour.

Has Capitalist Society Changed?

The Yugoslav Draft Programme, in considering contemporary capitalism, takes as its foundation the statement that events since the First World War have led to "major changes in the structure of capitalist society . . . . along the line of reinforcement of State capitalist tendencies".

There is no doubt, of course, that there have been important structural changes in capitalist society. But the major change, particularly in Britain, was that foretold by Lenin—the further concentration of capital, an all-round strengthening of monopoly.

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The point has been reached where 512 large firms alone (out of a total of 291,000) account for 50 per cent of the total profit made in British industry. In the United States, 200 giant corporations account for almost half the total sales of manufactured goods. It is this fact which decides the class nature of the State capitalist tendencies. The process is one of the strengthening of monopoly control of the State, and the use of the State to carry through the aims of the monopolists.

But this is not what the Yugoslav Draft Programme means. The changes to which it refers, we are told, are a *voluntary* sacrifice by the monopoly capitalists, because they were quite unable to carry on by themselves. Monopoly capitalism is presented as having reached a deadlock:

> "Capitalism, in its hitherto prevailing forms, was no longer in a position to secure unimpeded enlarged social reproduction which would have made it possible to renew and reproduce its material foundations and maintain the capitalist relations of production."

That capitalism is not in a position to secure unimpeded enlarged social reproduction is not a new feature. Capitalism never has been able to secure it, as every economic crisis shows. Moreover, the suggestion that capitalism cannot now "renew and reproduce its material foundations" is contradicted by fact. The enormous post-war capital investments in the United States, for example (and in fact in the whole capitalist world up to 1956), show how capitalism can renew its material foundations.

But more important, what can one make of the amazing statement that capitalism could not "maintain the capitalist relations of production". What are the capitalist relations of production? In essence the exploitation of the working class for profit by a capitalist class which owns the means of production. Every worker knows to his cost how British capitalism has maintained and extended its profits during the past two decades. From 1938 to 1956, according to the Cohen Committee, gross profits of all companies (in money terms) increased by 335 per cent while wages and salaries increased by 304 per cent.

The ideas in the paragraph quoted are therefore fundamentally wrong. Are they even new? No, they have been developed by Strachey and others in Britain long before the Yugoslav Draft Programme appeared.

On the alleged inability of capitalism to keep going, take for example John Strachey:

> ". . . . it was discovered by painful experience that if things were left to themselves the economy showed an increasingly disastrous tendency to instability. It gradually became clear that an economy of few and large units tends to lose the rough-and-ready, painful but in the end effective, self-regulating mechanism of the truly competitive stage of capitalism" (*Contemporary Capitalism*, p. 33).

And Strachey says later (p. 279) that "The structure of the economy has become modified in such a way that it imperatively requires a central regulating authority in order to function at all". So, he argues, certain functions had to be taken on by the State; and with this State intervention the nature of the economy, he alleges, has been transformed.

In the same way C. A. R. Crosland writes in *New Fabian Essays*:

> "The power of the State has enormously increased, and it is now an independent intermediate power, dominating the economic life of the country. . . . This one change alone would justify the statement that the capitalist era has now passed into history" (p. 39). And "By 1951 Britain had, in all the essentials, ceased to be a capitalist country" (p. 42).

The Labour theoreticians seize on the general higher standard of living and social services in Britain in the post-war years as evidence that the workers are no longer "exploited", and that therefore capitalism is "reformed" and not really capitalism. Thus the strength of the British Labour movement in securing certain forms of improved conditions is taken to mean that capitalism has changed, although at the same time the level of profits has not only been maintained but has risen.

But if these Labour reformist views of men trained in bourgeois institutions and accepting bourgeois economic ideas, are the clear reflection of the bourgeois approach to the capitalist system and can be understood as such, how can it be explained that an allegedly Marxist approach should lead to the same conclusions?

The Role of the State

The Yugoslav Draft Programme, in common with the writings of our British reformists, regards State intervention as the key point in the alleged change in the nature of capitalist economy. The argument that capitalism could get no further as capitalism, and that therefore it had to "modify" the system by handing over certain of its functions to the State, is developed in the following passage:

> "The leading forces in capitalist society in different parts of the world—in order to allow for the growth of social production and to mitigate internal social contradictions and thus to prolong the life of the capitalist system—are, at the same time, compelled to modify the system by turning over certain economic functions to the State. In this way the capitalist foundations of the system are weakened."

This picture of the State as something independent of monopoly capitalism, to which certain "economic functions" are turned over in order to keep capitalism alive, though in a greatly weaker condition, will be received with derision by class conscious workers. It is not only a completely wrong "interpretation" of contemporary society, but is even contradicted in

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an earlier passage in the Draft Programme itself, which says:

> "In order to overcome internal and external difficulties and especially the antagonisms between the imperialist countries themselves and the contradictions in their relations with the colonial and dependent countries, monopoly capitalism resorted to a direct use of the mechanism of the State, which led to a merging of the upper monopoly circles, the financial oligarchy, with the upper circles of the State and the State apparatus."

The picture which this paragraph gives is that the State, in the era of monopoly capitalism, is the monopoly capitalist State—which corresponds with the view that has always been held by Marxists. Why, therefore, do the authors of the programme come to write, a few pages later, that the turning over of certain economic functions to the State *weakened* the capitalist foundations of the economy and *modified* the system—except to retreat from Marxism into reformism? For this is the conclusion of Strachey, Crosland and the others. According to Strachey:

> "The State has come, in the advanced industrial nations, to feel that it must, and can, control such basic things as the pattern of the distribution of income between social classes . . . . the State now concerns itself with maintaining the total demand . . . . the State attempts to watch over and to influence . . . . the rate of accumulation . . . ." and so on. "Finally, the State is sometimes forced to undertake direct production itself" (*Contemporary Capitalism*, pp. 33-34).

In *The Future of Socialism*, in a section headed "The loss of power by the business class to the State", C. A. R. Crosland says that:

> "Certain decisive sources and levers of economic power have been transferred from private business to other hands . . . . The most direct and obvious loss of economic power has been to the political authority".

The Yugoslav Draft Programme presents much the same "interpretation" of what is happening in the capitalist countries:

> "The State assumes an important role in the economy, either by developing the system of monetary credit measures and by using the taxation system to regulate economic life, or directly—by nationalising whole branches of industry and making large-scale capital investments, by *restricting the right to the management of capital* and by *controlling the distribution of profits*, by *introducing elements of economic planning*, and most often by combining all these measures". And "the role of the State as that of a regulator in the sphere of labour and property relationships, of social rights and social services and other social relations, also grows."

The question of what kind of State it is which now carries out all or any of the activities described is, of course, vital to any Marxist interpretation of the situation. And in this connection it is important to examine what these State powers are, how they are used, on whose behalf, and with what purpose.

The economic apparatus and activities of the British State are certainly extensive, and are growing. The machinery includes the Departments of State (Board of Trade, Agriculture and Fisheries, Fuel and Power, and the direct Military Departments, Army, Navy, Supply and Air); the nationalised industries; bodies like the Marketing Boards, Wheat Commission, etc., the Bank of England, and the associated financial institutions; Capital Issues Committee, Credit and Export Credit Corporations; the Colonial Development Corporation; the Central Economic Planning Staff, etc. In addition, of course, there is the important measure of economic direction exercised by budgetary policy. In effect all these bodies are the representatives of the trusts acting in the name of the State.

What Kind of State?

Four members of the Export Credits Advisory Committee between them represent thirty-eight financial and industrial concerns. This is typical of these quasi-State institutions. For example, the seven members of the Capital Issues Committee (which controls public issues of capital) represent between them twenty-eight financial and industrial concerns. As for the Boards of the nationalised industries, it is well known that they are composed in the main of former directors of these industries and other representatives of private capital. Almost half of the 131 members of the central boards of the nationalised industries hold directorships in private industry, and of the remainder twenty-three are knights, nine are landlords.

The hallmark of all these bodies is their domination by the monopolists. They are a new stage in the subjugation of the State to the Trusts. In these State economic activities, the State and the monopolists are one.

This is clearly seen when we examine how the forms of State intervention specified in the Yugoslav Programme work out in fact in Britain.

Take first "restricting the right to the management of capital"—what evidence is there for this in Britain, and who is being restricted?

What we do know, for example, is that there has been a Tory Government credit squeeze, preventing or limiting the use of capital, and that the Capital Issues Committee is supposed to sanction or refuse permission for new issues of capital. But what sort of capitalists do these measures affect? Not the big monopoly concerns, for they do not depend on bank credits or new issues for financing developments, but as a rule have considerable sums retained from profits which they can, and do, invest in new capital equipment without any kind of "control". In Britain in every year since the war, retained profits after

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payment of dividends and taxes have considerably exceeded capital expenditures. But these measures which restrict the smaller capitalists in fact leave the field clear for the monopolists.

Then take the question of "controlling the distribution of profits". In fact, there has been no such control in Britain, still less in the United States. What there has been is propaganda against increasing dividends at certain stages of the boom. What is the class significance of this propaganda?

First, it was put forward by the Labour Government to make the "wage freeze" more palatable to the workers—workers and capitalists were supposed to make "equal sacrifices". But it also had a second purpose—to cool down the eagerness of the smaller shareholders to get more of the increasing profits to spend themselves, because prices were constantly rising. But it was the policy of the monopoly capitalists to squeeze not only the workers; the smaller shareholders, the "middle classes", had also to have their standard of living forced down. And in the particular case of the distribution of profits, it happens that the big capitalists are more interested in retaining profits in the monopoly concern for capital expansion, than in distributing the profits. The reason for this is quite simple. Any money they receive as dividends is very heavily taxed, since on large incomes surtax at very high rates is payable. But big capitalists want profits for the sake of expanding their capital: by leaving the profits in the monopoly concern, they avoid taxation and at the same time conserve the funds for further expansion of the monopoly; this in turn raises the market price of the shares and makes it possible, if they want ready money, to sell shares at a considerable profit which is not taxed. Therefore such control of the distribution of profits as may exist is not at all to the disadvantage of the monopoly capitalists, but is their own policy in their own interests.

And what is meant by the "elements of economic planning" which are alleged to have been introduced? In 1947 the Labour Government set up the so-called Central Economic Planning Staff under Sir Edwin Plowden, who had previously been a Director of British Aluminium Ltd. and C. A. Tennant and Sons. Appointed as his industrial consultant was Sir Robert Sinclair, Chairman of the great monopoly, the Imperial Tobacco Company Ltd. The Central Economic Planning Staff produced annual economic surveys which contained "targets" for the economy. Year after year these documents became more and more meaningless. By 1950 the *Manchester Guardian* could write of the Survey for that year: "It (economic planning) has never been much more than a pretext, and the dropping of even the pretence is the most notable feature of this year's Economic Survey". With the defeat of the Labour Government and the return of the Tories, even talk of central economic planning disappeared. Budget and Government economic policy, including the raising and lowering of the interest rate, is the main means of such economic control as exists. But no one in his right senses in Britain would question for a moment that the purpose of such policies, whatever the conflict of individual capitalist interests involved, is to facilitate the general class and imperialist interests of British capitalism. There are no independent "State" interests apart from these interests.

Certainly, as Strachey observes, "the contemporary State attempts to pull or push resources from one sphere of production to another: from the internal market to exports: from peace production to rearmament", etc. But in whose interests? To push resources from the internal market to exports has meant, as we know, the wage freeze or "wage restraint" in order to keep down consumption in the home market, and credit restrictions for the same purpose; and on the other hand, under cover of the aim of safeguarding the balance of payments (distorted by British imperialist policy) and maintaining the value of the £, the actual export of capital to the amount of some £200 million a year for the benefit of the big monopolists. And in whose interests are resources pulled from peace production to rearmament? Certainly not in the interests of the working people of Britain, but directly for the profits of the armament concerns and on the other hand, to safeguard the imperialist interests of the monopolists and to strengthen the anti-Socialist alliance with the American monopolists.

But the most fantastic retreat from Marxism is the Yugoslav description of the State as "a regulator in the sphere of labour and property relations". The very phrase is almost identical with that in the Labour Party policy document (*Towards Equality*): "The Labour Party believes in striking a balance in the use of the power of the State" between social groups and classes. All our experience in Britain, under Labour as under Tory Governments, has shown the nature of the "regulation" by the State, which has had only one purpose—to keep down the working class for the benefit of the capitalists. The bitter experiences preceding the London bus strike show State "regulation" in practice for the working class. The announcement of government policy that wages cannot advance; the appointment of the "impartial" investigation committee under Lord Justice Cohen, which "impartially" decides that wages can't go up but profits can; the rejection of the busmen's claim by the nationalised transport board and the consequent strike: the Minister of Labour as the ally of the Transport Board against the busmen; the threat to use troops as blacklegs if the strike was extended to power stations, etc. Here was the bitter class reality of State regulation between capital and labour in practice.

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Therefore if we come away from the phrases and examine the facts in "contemporary social phenomena", we cannot but come to the conclusion that the idea of an "independent" State which "controls" capitalism is the propaganda facade shared by British Labour reformists and the authors of the Yugoslav Draft Programme, which cannot conceal the reality of the political and economic dictatorship of the monopolists. An impartial State, impartial administration of "law and order", impartial arbitration and impartial (or bi-partisan) policy, have always been the basis of right-wing Labour "theories". The new factor in this field is Yugoslav revisionist ideas, seeming now to be identified with reformism.

The Role of the Bureaucracy

The Yugoslav Draft Programme develops the theory of an independent State into a theory of a bureaucracy, as something independent of both capitalists and workers, a kind of "third force" ruling over them both:

> "The expanded role of the State also fosters the economic and political power of the bureaucracy, which once it is strengthened, tends to establish itself as an independent social and political factor". And again: "By taking over considerable economic functions, the State and its apparatus acquire their own independent economic basis, upon which the new *social* role of the State apparatus is built up."

It is impossible to understand what contemporary social phenomena, at least in Britain, are referred to in these passages. What is an "independent economic basis" for the State and its apparatus? In what is the "economic and political power of the bureaucracy" shown?

It is true that the number of State officials has considerably increased in the monopoly capitalist State. But, among other things, the State officials or "bureaucracy" include both higher and lower officials, and this is true even if the administrative apparatus of the nationalised industries is included among the "bureaucracy". Who among these has the alleged "economic and political power"? In whose interest are they working? It is well established in Britain that the top "bureaucrats", the heads of the principal departments of government who in fact "advise" whatever Government may be in power, Labour or Tory, are members of or closely associated with the ruling class of property owners, landed, industrial and financial. Many of them on leaving Government service, move straight into positions in financial or industrial companies. Their outlook and their interests are identical with those of the ruling class, and it is nonsense to think of them as in any sense "independent" and "above classes". Any "economic and political power" possessed by the top "bureaucracy" is delegated to them for definite purposes by the real holders of economic and political power, the monopolists.

But the Yugoslav Draft Programme, in its attempt to establish the independence of the State, goes further:

> "The State apparatus in its striving to acquire its own independent functions, places itself over and above society, and tends increasingly to restrict both the role of private capital and that of the working class."

In the paragraph previously quoted, it was said that the State has a "new social role"; now it appears that this new social role is independent of and increasingly restricts both private capital and the workers. There is no doubt that it restricts, or does its best to restrict, the role of the working class; it may even be agreed that it restricts the role of *small* private capital. But it restricts both the working class and the smaller capitalists not in its own interests, not in the interests of the "bureaucracy", but in the interests of the big monopolists. To call this a "social" role is to identify society with the interests of the big monopolies.

It is interesting to note that the Draft Programme further says:

> "The leading role of the working class alone can deprive bureaucracy of its independent social role and make the State apparatus serve the society."

A similar conception of the State bureaucracy was put forward by R. H. S. Crossman as long ago as 1952, in *New Fabian Essays*. Referring to the so-called Welfare State, he writes (p. 27):

> "Though certain basic industries are transformed into public corporations and private industry is subject to some control, effective power remains in the hands of a small managerial and Civil Service elite .... The main task of socialism today is to prevent the concentration of power in the hands of *either* industrial management *or* the State bureaucracy."

And this conception of a kind of three-cornered fight between the monopoly capitalists, the State bureaucracy and the working class, reaches a point in the Yugoslav Draft Programme in which the class struggle appears as a struggle "for influence and positions in the system of State capitalism"—

> "The greater the balance attained in the political struggle between the bourgeoisie and the working class for influence and positions in the system of State capitalism ...."

The Political Implications

It is here that we come to the decisive political implications of the Yugoslav position. The British working class movement and the Communist Party has never taken the attitude that these new developments in capitalist society have nothing to do with the working class. On the contrary, in the development of the working class struggle on wages, full employment, social issues and foreign policy, the Communist Party has always fought for the British

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labour and trade union movement to take a class position on general economic policy and developments in modern capitalist society. Thus we have fought for a budget taxation policy and low interest rates directed against the rich and in the interests of the people. We have fought against the policy of the credit squeeze. We have tried to change the composition of the nationalised boards and striven for a policy in the nationalised industries in the interests of the consumers instead of the big industrialists. We have pointed out that the main distortion in Britain's balance of payments is due to the burden of militarism, that the State should keep down prices, etc. But for a Communist, this is done on the background of our exposure of the class nature of the State and the explanation that the advance to Socialism requires a social revolution, the replacement of the monopolist state by a socialist state, the expropriation of the big trusts and a new socialist state apparatus and constitution.

This is the central theme of *The British Road to Socialism*, which declares:

> "But in order to build socialism, the dominant position of the rich must be ended. Political power must be taken from the hands of the capitalist minority, and firmly grasped by the majority of the people, led by the working class.
>
> The political power of the rich is founded on their economic power. The change to socialism, therefore, means that the industrial and financial enterprises of the millionaire monopoly capitalists must be taken over for the people, and production organised and planned not for profit but for use. The political power of the working class needs to be safeguarded and strengthened by the establishment of working-class control of the armed forces, the police, the civil service and diplomatic service. In industry, the workers must participate in management at every level. Democratic rights must be strengthened and extended, the right of self-determination realised in practice for all hitherto subject peoples, and a strong free and independent Britain built up."

For the British Labour movement clarity on this crucial point is vital for revolutionary advance. The whole effect of organised British reformist theory and practice of "evolution" to socialism, of transforming capitalism "step by step", of class collaboration, has been to preserve and extend the power of British monopoly capitalism. Reformist theory and practice leads to the abandonment of the struggle for revolutionary social change. The effect of Yugoslav revisionism is in the end to join forces with the ideological position of British reformism.

If the Yugoslav case as outlined above can be briefly summarised—the main theses are: There has been a change in capitalism. It is now increasingly subordinate to the State. The State is increasingly independent and above classes. The working class struggle must aim to win positions and influence, and thus transform the State to make it serve society.

The idea of a capitalist economy which has changed and is changing further in a socialist direction is developed in the following passage from the Draft Programme:

> "As given economic functions are transferred to an increasing extent from private capitalism to the State—whereby the rights of private capital are limited in other ways as well—so does the pressure of new elements in the economy—which are socialist by virtue of their objective trend—increase upon the capitalist mode of productions."

In another passage we are told that "these manifestations" (that is, these "new elements in the economy") "penetrate the fissures of the capitalist social system". Unfortunately no more precise indication is given of what these new elements are supposed to be "which are socialist by virtue of their objective trend". We have shown above that the various forms of state intervention in the economy are in the interests not of socialism but of the monopolies. Are they the nationalisation of certain industries by the monopoly capitalist State? Right-wing Labour leaders here regard this as an instalment of socialism; but in fact capitalist nationalisation such as we have had in Britain, far from exerting any "pressure" upon the capitalist mode of production, has not altered the capitalist mode of production, the production of surplus value, even in those industries. On the contrary, nationalisation has strengthened the position of monopoly capitalism through the re-equipment of these industries at public expense and the provision of cheap goods and services to the industries which have not been nationalised.

Or are these "new elements" in the economy the expanded social services—the so-called Welfare State measures? But it is difficult to see in what way these have weakened the capitalist mode of production—especially as in fact, apart from the question of who in the end pays for these services, immense funds of over £1,500 millions have been built up out of the contributions, which are in practice at the disposal of the monopoly capitalist State. British Labour Party leaders have made proposals, in *Industry and Society* and in their Pensions Plan, to accumulate the pensions contributions on an even vaster scale and to invest these funds *in the big monopoly concerns*. How could these funds, when invested in the big monopolies, be described as "penetrating the fissures of the capitalist social system" or bringing pressure upon the capitalist mode of production?

The conception of capitalism gradually growing over into socialism is not new; as we have pointed out it is the essence of British Labour reformism. It has been the principal basis of right-wing Labour's fight against Communism and against all forms of

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class conflict. As R. H. S. Crossman says in *New Fabian Essays* (p. 26):

> "Sceptical of the Marxist doctrine of inherent conflict, the Labour Party has tenaciously assumed that British people can be persuaded by an act of collective conscience to subject economic power to public authority and to civilise the conflict inherent in social change."

What is the essential difference between this view and that of the Yugoslav programme which says:

> "The specific forms of state capitalist relations may either be the ultimate effort made by capitalism to survive or the first step towards socialism, or may at the same time, be both the one and the other. Which of these two it will be, will depend upon the strength and conscious political action of the working class."

The clear implication here is not that of winning State power and carrying through a social revolution, but political action to influence the State capitalist tendencies in the direction of Socialism.

The Yugoslav Draft Programme, therefore, also presents a picture of a gradual economic and political transition to Socialism, in which the job of the working class is reduced to struggling for influence and positions and for "the leading role in the government machinery". It becomes indistinguishable from the reformist position.

Socialism and the Communist Party

In a later passage the Yugoslav Draft Programme says that dogmatism "proclaims as revisionism every genuine effort towards a real furtherance of Marxist thought in contemporary social conditions".

Dogmatism too, it is said,

> "made it impossible fully to perceive the influence which socialist revolutions and the results of socialist experience exercise upon social development in the capitalist countries and *upon the policy of the ruling capitalist circles.*"

Now there is no doubt that dogmatism can blind Marxists to contemporary developments. But at the same time it is essential to maintain a Marxist approach to these developments, and to examine them as they in fact are, objectively.

What is it that expresses the influence of socialist revolutions and socialist experience on the British working class? The formation and growth of the Communist Party, of the Left in the Labour movement, the gradual breaking down of right-wing bipartisan policies in the Labour Party, the growth of the peace movement and of trade union militancy, socialist understanding and so on.

But what is it that expresses the influence of socialist revolutions and socialist experience on "the policy of the ruling capitalist circles"? Is it not the cold war, the organisation of the North Atlantic Treaty Organisation and its fellow in South East Asia and the Bagdad Pact, the feverish building up of nuclear weapons and bases round the socialist countries and the rearming of Germany, and the stubborn refusal to make any step towards the easing of international tension? Surely these are the most outstanding features of the policy of "the ruling capitalist circles" in the most powerful capitalist countries? The whole power of the mass movement is directed to changing the policy of the capitalist ruling circles.

Yet the Yugoslav Draft Programme in the passage quoted implies that, alongside the alleged change in capitalism referred to earlier, there is some change in the policy of capitalism in a social direction which only dogmatists are unable to see.

With this outlook, and on the basis of the idea of capitalism growing over into socialism without any kind of revolutionary break, the authors of the Yugoslav Draft Programme proceed to belittle the importance of Communist Parties, just as is done by right-wing Labour leaders here in Britain. While stating that the Communist Parties have played "an immense role in the development of socialism so far", the Programme also says:

> "The conception that Communist parties have a monopoly over every aspect of the movement of society towards Socialism and that Socialism can only find its representatives in them and move forward through them, is theoretically wrong, and practically, very harmful."

This leads on to the suggestion that:

> "In the countries where classical political parties of the working class are practically non-existent, as in the United States, for example—the working class people organised in trade unions will be more and more engaged in the process of growth of conscious socialist forces primarily through the trade unions."

So it appears that not only is the Communist Party by no means indispensable for the advance to Socialism, but the job can be done by the trade unions—and the American trade unions at that!

The denial of the leading role of the Communist Party is the logical outcome of the basically wrong Yugoslav analysis of the character of the changes in modern capitalism and the nature and tasks of the transition from capitalism to socialism. This is where revisionism inevitably ends up.

No one studying the struggles in Britain over the past year, the policy and tactics of the Labour leadership, the inadequacies of trade union sectionalism, the present state of disorganisation of the left in the Labour movement, can deny the leading role which the Communist Party is called upon to play. One could criticise the weaknesses of the Party in fulfilling that responsibility, its weakness in numbers, but its function and responsibility within the Labour movement becomes daily more urgent. It is because the

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Communist Party is trying to fulfill that responsibility that its efforts are directed to extending working class unity.

It welcomes and tries to do all in its power to assist the development of all left and socialist forces within the Labour movement. Only to the degree that this takes place can the struggle for socialism in Britain be successful. We call for an alliance of all socialist and progressive forces of the British Labour movement as the essential condition for a Socialist Government and system in Britain. But all this requires that the Communist Party develops its strength, influence and numbers to fulfil its leading role. Without the triumph of Marxism in the British Labour movement there can be no advance to Socialism.

The conception of a changed capitalism, a capitalism painlessly growing over into Socialism, inevitably affects the "interpretation" of "contemporary social phenomena" in the international field also. These aspects of the Yugoslav Draft Programme have been dealt with elsewhere, and it is not necessary to examine them here.

What has been attempted here is to examine those sections of the Draft Programme of the League of Communists of Yugoslavia which refer to "contemporary social phenomena" in the capitalist world, including Britain. The essence of the "interpretation" of these phenomena given by the authors of the Draft Programme is that monopoly capitalism is already beaten, that in despair it is handing over its functions to the State, and that the way forward to Socialism lies through the working class striving to get "influence and positions" in the State capitalist system.

This interpretation, as has been shown, is close to the views of British reformism; but it cannot be reconciled with what is actually happening in the capitalist world today. Not only United States, but British, French and West German monopoly capitalism, are strengthening their grip on the State, by no means in despair, but in order to push forward their aggressive plans at home and abroad. The Yugoslav document, therefore, cannot be regarded as a Marxist interpretation of contemporary social phenomena, but is in essence a revisionist approach, which echoes all the themes of modern British Social Democratic theory on these matters. No Communist working in British capitalist conditions could accept the Yugoslav thesis either in theory or fact. Nor will the majority of left labour workers confronted with the daily reality of the class struggle accept it either.

Lost—the "Era of Full Employment"

J. R. Campbell

THAT capitalist society had in some unexplained way entered "an era of full employment" was one of the commonest themes to be found in right-wing socialist literature up till recently. All the latest Labour Party policy statements make this assertion in a multitude of forms.

For example in the statement *Towards Equality* published in 1956 the assumption that full employment is now a permanent feature of the so-called "mixed economy" is to be found on page after page. We are told that full employment has exerted, and is exerting, a strong and wholesome influence on industry (p. 10); but that nevertheless "we do not delude ourselves that the changes we require can be brought about by the pressure of full employment alone" (p. 10). Not only so but "full employment has forced industry to make a major readjustment in its traditional wage policies" (p. 11). The Welfare State has reduced unemployment (p. 18) and full employment "has given many people the opportunity to save" (p. 29).

In the notorious *Industry and Society* published in 1957 the reader is left in no doubt that this state of affairs is not merely the result of a long trade boom due to exceptional factors such as has sometimes (though rarely) appeared in capitalist history. It is, the Labour Party says, quite definitely due to Government policy—not be it noted the policy of Labour Governments alone but in Britain at any rate to the policy of Tory Governments as well.

Thus we are told in *Industry and Society* that the stability of large capitalist firms is underwritten, not by their own resources *but by the avowed purpose of the modern state—to maintain employment and raise living standards*" (p. 55). "The need for state planning and control to maintain full employment is no longer seriously disputed" (p. 57).

"The machinery for maintaining full employ-

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ment has been greatly strengthened" (p. 9), and there exist certain controls whose purpose is "both to prevent and encourage economic activity according to the nation's requirements" (p. 44). Evidently in the opinion of the Labour Party so great a control over the forces of capitalist society has already been achieved that the "level of economic activity" can be turned off and on like water in a tap. None of the pamphlets before us says how this can be done, but it appears that a pamphlet dealing with how capitalism can be controlled is on the stocks and will appear later.

I believe that the above assumptions are largely delusive; that a high level of employment has existed in many capitalist countries since the war (though not without fluctuations) whether they have claimed to be operating a policy of full employment or not; that it has been due to passing factors and that most capitalist countries (including our own) will shortly experience a higher level of unemployment than at any time in the post-war period.

Why Employment Was High

Among the factors which led to a high level of employment in the post-war world were the following:

The replacement of the basic capital of capitalist society. In a number of important capitalist countries this had been destroyed on a large scale during the war. Even in those countries where there was no war devastation stocks had run down considerably and fixed capital had been allowed to deteriorate. It was a situation which has some resemblance to that phase of a normal trade cycle, when it is just about to ascend, after bumping along the bottom for a considerable period.

The development of important innovations. The renewal of basic capital was accompanied by the development of a whole series of innovations which had been perfected during the war, namely electronics and the associated forms of control, engineering, plastics, synthetic textiles, synthetic rubber, in Britain large-scale oil refining and the production of a multitude of chemicals based on oil, detergents and of course the building of atomic power stations—to mention only a few developments. In most of them the capitalists sensed big possibilities of profit. These innovations, bunched together as they were, tended to prolong the boom.

The increased military expenditure in the post-war period. The effects of this in my opinion varied in different countries. In Britain the arms boom which started after 1950 was to transfer to arms production labour and equipment which could have been used to (1) expand exports; or (2) increase the rate of capital re-equipment. I do not think this is true of the United States which went into a recession in 1949, and emerged from it during the Korean war. It is true that there were some signs of a recovery before the Korean war broke out. There can be no doubt, however, that "on top of a substantial recovery in the private economy there was added a new Government expansion based on war needs." (Mr. Ewan Clague, Commissioner of Labour Statistics, U.S. Department of Labour in *Labour News from the U.S.*, April 26th, 1958).

Mr. John Strachey (*Contemporary Capitalism*, page 246) says: "If we desire to demonstrate that the rearmament expenditure is not necessarily indispensable to sustain a contemporary last stage (of capitalism) at full employment, we may instance Western Germany where such expenditure has been nil and employment is now (1955) virtually full." This is really too much. It is precisely the arms boom in most Western European countries which gave an enormous impetus to the demand for German machine tools and heavy engineering goods generally and gave the necessary impetus to the whole West German economy. It was other people's military expenditure which gave the West German economy the necessary shot in the arm, but that is not the same as saying that the arms boom played no part in the level of German employment.

The belief was widespread that come what may capitalist Governments were determined to maintain full employment. Mr. Strachey was quite confident of this. "The working of the contemporary democratic mechanism . . . does appear to have produced a genuine determination on the part of the governments of the leading capitalist democracies to avoid wide economic oscillations, if they possibly can" (*Contemporary Capitalism*, p. 205).

A similar estimate is made by the notorious Cohen Council: "Many governments undertook to so direct their policies as to maintain what was at first described as 'high and stable employment' and afterwards as 'full employment'. The commitment thus undertaken has not only influenced the size of the government's own expenditure; it has acted as a powerful supporting force to those of other people. *In particular it was taken by businessmen as a signal that there would be no general drying up of the demand for their products and thus encouraged them to maintain a high level of capital expenditure.*" (Our italics.) (*Prices, Productivity and Incomes*, p. 24.)

There can be no doubt that during the last few years the capitalists in the United States, West

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Germany, France and Britain behaved as if it was virtually impossible to create excess capacity in any line of production. Full employment was assumed, or at least that any recessions would be very ephemeral ones. The caution in capitalist circles in regard to the creation of plant which might not be fully utilised when constructed—a caution that was dominant between the wars—was thrown on one side. In the upsurge which followed the recessions of 1949 and 1953 an enormous amount of excess capacity was created by American big business.

The United States Crisis

The present crisis in the United States was touched off by the dear money policy which was introduced in order to combat the so-called danger of inflation. Yet in the years between 1954 and 1957 the United States shared with Switzerland the distinction of having the lowest increase in retail prices—5 per cent in four years. Yet at the very moment that the dollar was growing stronger in relation to all other currencies, Mr. Chesney Martin of the Federal Reserve Board was talking as if a startling depreciation in its value was imminent.

America with no balance of payments problems, with more than half of the world's supply of gold stored in its banks, was depicted as if it was on the verge of runaway inflation similar to those of France and Germany in the 1920s. Even when signs of slackness in a number of industries could no longer be concealed, Mr. Martin continued to make speeches on the assumption that there was excess demand existing throughout the American capitalist economy that must be squeezed out. Mr. Martin's proof that there was excess demand was very simple. The cost of living continued to rise and therefore there must be excess demand everywhere. The idea that demand for the products of an important group of industries could be declining, while other industries and services were still in a position to push prices up, and that the first trend was the most important, was never mentioned by Mr. Martin.

I am of the opinion that, as far as the U.S. was concerned, the arguments about the dangers of inflation were phony. The real purpose of the dear money policy in U.S.A.—as later in Britain—was to check the trade unions whose demands in the U.S. at any rate were becoming more sweeping. They could not be restrained by argument, but perhaps they could be convinced, if a moderate amount of unemployment was created. That, I believe, was Mr. Martin's real idea—only he got more unemployment than he bargained for. The dear money policy touched off the depression in the U.S.A. but it would be a mistake to think that it caused it. At the bottom, there was tremendous over-production of goods and the tremendous creation of over-capacity in a number of industries. The great motor firms went ahead as if the country could absorb an ever-increasing number of cars, year after year, without end. Each large firm pushed ahead on its own, as if it alone was called upon to supply the market. All of them proceeded on the assumption that millions of people would year by year exchange perfectly good cars for other and more expensive ones on the ground that they would be more ostentatious than the old. All the industries producing durable goods—refrigerators, television, radio, the thousand and one household gadgets supposed to be essential to the American home—likewise increased their productive capacity enormously.

The capitalists have sometimes in the past behaved as if booms were designed to last for ever. Marx noted their tendency at times to develop the productive forces under their control without regard to the actual capacity of the market "as if only the absolute power of consumption of the entire society would be their limit." With the two previous post-war depressions proving to be little ones, with the huge arms programme being maintained year after year, with all the ballyhoo about the Government promptly intervening if there was the slightest tendency to a depression, is it any wonder if the American employers after 1953 behaved as their forebears did in the headiest booms of the past?

Could Controls Have Worked?

In view of the situation it is worth asking how the existence of controls "to prevent and to encourage economic activity, according to the nation's requirements" could possibly have worked.

Perhaps the Government agencies—the President's advisers or some such body—should have foreseen in 1954 that there was a danger that several important industries were in danger of overproducing, of creating excess capacity, and should have recommended steps to stop the expansion. We should remember, however, that it was precisely this expansion of productive capacity for future use which was the necessary condition for the high level of employment which existed from 1955 to the autumn of 1957. If the expansion had been stopped sooner, the U.S. depression of 1953-54 would have got worse. It was not enough to foresee that the creation of over-capacity was on in certain industries and to

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stop it. It was necessary to provide employment elsewhere. There is still an immense amount to be done in the U.S.A.—housing, new schools and colleges, roadways, hydro-electric power, land reclamation etc. There is a great mass of people who need products of U.S. industry, whose income only allows them to buy restricted quantities of them. But to stop the headlong creation of excess capacity, to speedily create new avenues of employment, to sharply raise wages and to improve social services in order to provide employment—runs sharply counter to capitalist profit-making, and presupposes central planning —frowned upon by capitalists and right-wing socialists alike.

The theory that employment can be increased or diminished by manipulating a few controls is being refuted by U.S. experience. For when the Federal Reserve System was forced to go over to a cheap money policy, it had little or no effect on the depressed industries. If the great motor firms had installed capacity to produce many more cars than were demanded at the very height of the recent boom, they were not likely, however cheaply they could borrow money, to instal further additional capacity. If the steel industry has already installed capacity far in excess of what it could use, it is not likely, however cheap money becomes, to desire to construct new plants.

It could be that cheap money might induce some firms, outside the depressed sectors, to take some plans off the drawing boards and proceed to an expansion of their capacity. But as against the stimulus of cheap money there is the dampening effect of the depression in general. It is not easy to stimulate a rise in activity when the facts about excess capacity become widely known. Up to the moment at any rate the attempt to reactivate the American economy by means of cheap money is not showing any results.

British economists are also expressing doubt if cheap money and the end of the credit squeeze will stimulate British recovery.

> "If the Chancellor finds himself presently in a position to release the brakes, will the economy pick up again its earlier momentum? This is a question which is causing increasing concern.
>
> "The high level of activity of the last few years has been allied to a huge level of investment in the nationalised industries and in manufacturing. The latter in turn has been inspired by a high level of expansion in home and export demand and a high confidence in continued expansion.
>
> "The capital investment of the past few years has added as yet scarcely at all to output and the justification for its continuance in a world that is moving into a recession must be in question.
>
> *"It is by no means clear that a mere lowering of interest rates and relaxation of other temporary limitations will restore industrial investment in the present climate."* (Our italics.) (Professor E. A. G. Robinson in *London and Cambridge Economic Bulletin*, June 1958.)

For good measure Professor Robinson adds: "There is good reason to think that as a recession deepens, it becomes more difficult to reverse, and that in an anti-cyclical policy one of the most essential ingredients is promptness of action."

This throws a sharp clear light on the assertion in *Industry and Society* that (as a consequence of nationalisation)

> "the machinery for maintaining full employment has been greatly strengthened. . . . With its various agencies, including the nationalised industries, directly responsible for some 50 per cent of the total physical investment, the state has gained a much greater power over the general level of investment. Providing the governments are prepared to use this power, they have in those state agencies, a powerful weapon for counteracting a fall in investment by private industry" (p. 9).

Yes, but as the whole passage shows the state agencies only go into operation when the fall in investment in private industry has already taken place. There can be quite an interval between the fall in private investment and the rise in state investment.

The Time to Act

In fact one of the problems in the operation of the so-called "machinery for maintaining full employment" is that the "experts" take a long time in making up their minds if the boom is over and the depression has commenced. They took a very long time to make up their minds in the United States, and then went over to argue whether any state intervention other than accelerating the so-called defence orders was necessary or whether it was better to wait and see whether this would, after a lapse of a few months, lead to a new upswing in the economy. To wait for a period of several months, while millions of workers are unemployed, before deciding whether anything further should be done, hardly amounts to "maintaining full employment".

The same perplexity exists in Britain. Professor Robinson, in the article above referred to, says that one of the difficulties in taking action against a depression is "the inevitable lack of unanimity as to the timing of action".

> "At the moment both the United States and the United Kingdom are fighting the last battle

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and in the case of the United Kingdom the critical battle against rising prices.

"There can in the circumstances be no unanimity that the time has come to fight against the depression.

"But the danger of the moment is that in achieving the last victory against rising prices Britain may fail to play its part in organising a collective fight against recession."

Contrary to the Labour Party, Mr. Harry G. Johnson, Professor of Economic Theory at the University of Manchester, has a very low opinion about the "machinery for maintaining full employment". He says:

"Under modern conditions detailed plans and not merely the general intention to stimulate demand by some appropriate means when the time comes, are essential, if the Government is to deal successfully with the slump.

"One reason for this fact, easily and often forgotten, is that there has been no experience of an attempt to maintain full employment in the face of strong deflationary tendencies and no certainty that it can be satisfactorily achieved, even where the deflationary forces are of internal origin and so presumably within the Government's control." (Our italics.)

"The aim of preserving full employment is generally accepted and the methods of a full employment policy are generally understood; but the capacity of existing administrative techniques to execute such a policy in adverse conditions has not been tested in practice" (*District Bank Review*, June 1958).

So the so-called "era of full employment" is found on examination to have nothing to do with (1) any organic change in the capitalist system, or (2) any policy that Governments are pursuing. It has simply been a long-drawn-out boom, based on conditions that are now passing away.

There does not exist in any capitalist country machinery for preventing a slump taking place. All that exists are blue-prints of varied merits about what a Government faced with a developing slump ought to do. These amount to policies for mitigating a slump once it has taken place. They have nothing to do with preventing slumps taking place or with ridding society from slumps altogether.

A Policy to Counter Slump

Far be it from us to suggest that a policy to counter a slump is useless. Indeed some of the measures proposed by Mr. Johnson such as (1) accelerating the long-term programme of the nationalised industries; (2) sweeping reductions of purchase tax, and (3) an expansion of building by means of a slum clearance programme, are admirable in their way. But they amount to doing something to cure a slump that one has been unable to prevent from taking place. They are not a policy for maintaining full employment.

In fact recent developments in the U.S.A. and Britain prove that full employment cannot be maintained by policies whose basic aim is to counter adverse developments arising from the capitalist system itself. Full employment must be planned for, and this can only be done when the overwhelming majority of large-scale industries and services are socially owned and are the basis for a definite socialist plan for national development. Piece-meal interference in the economy in the post-war years has often led to the opposite results from those aimed at. In 1954 in Britain a powerful effort was made to increase investment in capitalist industry. The result was an unexpected balance of payments crisis within a year, and this was only remedied by methods which led to under-utilisation of the new equipment installed. The run on the pound in 1957 is countered by policies which threaten a run on the labour Exchanges in 1958.

For the economy to run smoothly there must be a balance maintained between the present and the future, between consumption and investment, between production for the home market and production for exports, between factories and houses. The industrial changes taking place must be allowed for, so that workers are encouraged to enter the developing industries and to master the new techniques that are emerging.

Only through such planning can we obtain the objectives of a rational society of expanding production, full employment, stable prices, constantly rising wages and social services and growing economic and social equality in every sphere. Such aims cannot be achieved blindly. They can only be realised when they are planned for.

Capitalist society may achieve certain balances but it can only do so blindly, through grossly inflated booms and through deep destructive slumps. These are not accidents. These are the very conditions of capitalist development.

Whatever steps are taken to mitigate the evil effects of these developments, they will at best be temporary. That is not an argument against them being made. It is an argument for getting beyond them, for developing the struggle for something better than a hit-or-miss anti-slump policy—namely, for a genuine policy of maintaining full employment through socialist planning as laid down in *The British Road to Socialism*. For the lesson of the crisis of 1958 is that policies of controlled capitalism, either of the Tory or the right-wing Labour brands, simply will not do. A socialist planned economy is the only safe foundation for full employment.

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Millennium and Utopia

A. L. Morton

THE *Communist Manifesto* reminds us that "The history of all hitherto existing society is the history of class struggles." Sometimes these struggles lead to revolutions—the transfer of power from one class to another and the emerging of a new social order. Such have been the destruction of feudal society in the series of bourgeois revolutions extending from the sixteenth to the nineteenth centuries, and the working class revolution which in our own time is producing socialism.

But not all class struggles are of this kind. Slaves, in slave societies, have constantly rebelled against their masters but there is no instance in history of a successful slave revolt resulting in a new society based on the liberated slaves. Similarly feudal society was continually convulsed by insurrections of the peasants and the town poor, some of them on a vast scale. Yet all these revolts, often heroic and magnificent though they were, were defeated, and we can now see why this was inevitable. To discuss the reasons for this, though it would be interesting, would take me too far from the purpose of this article. The fact that these revolts were always defeated does not in any case mean that they were fruitless or that they are not worth studying.

Their effects were, in a sense, indirect. The slave revolts of antiquity did not achieve their objects but they did play an important part in bringing about the transition to feudalism. And similarly the peasant movements of the Middle Ages arose from the basic contradictions within feudal society and by intensifying them helped to produce, not the free peasant world of which the exploited dreamed, but bourgeois society. This indeed was based on a new kind of exploitation, but carried within it the possibility for mankind of emerging into a classless society in which all the aspirations of all the exploited in all ages could be more than realised. What is new in our own time is not that men fight against oppression and exploitation, but that the exploited have, for the first time, the historical possibility of passing beyond all forms of exploitation.

Hence we have a revolutionary theory which is scientific, which bases itself not only on hopes and dreams—though these have their place and we undervalue them at our peril—but on a full understanding of the process of history. But earlier movements had also a theoretical basis, though of a different kind, and these are well worth studying. Two recently published books provide us with much valuable material for such a study. One is Professor Norman Cohn's *The Pursuit of the Millennium* (Secker and Warburg, 42s.). The second is *The Trumpet Shall Sound: A Study of "Cargo" Cults in Melanesia* by Peter Worsley (Macgibbon and Kee, 25s.).

Early Fantasies

Professor Cohn deals with a body of hitherto rather neglected ideas current among the masses in Europe during the Middle Ages, and constantly coming to the front during times of revolt and crisis. They represent one stream of Christian thought, originating in the expectation of a coming Millennium, an era of peace and righteousness following one of struggle and tribulation, which Engels analysed so brilliantly in his essay on *The Book of Revelation*, recently made available in the volume *Marx and Engels on Religion*. Such ideas, which were central to primitive Christianity, were constantly played down by the official representatives of the Church, but never ceased to exist as a sort of revolutionary Gospel of the Poor. As time went on they gathered all sorts of associated ideas. The myths of Eden, of a primitive Golden Age, the fantasies of an earthly paradise of leisure and abundance, all deriving from traditions of the pre-state society which was, after all, not so very remote in many parts of Europe, formed a basis for a kind of naive Communism. The expectation of a divine or at least superhuman deliverer who would lead a crusade against the forces of iniquity linked up with a mystical anarchism in which, either at once or in some immediately expected age, perfected man would assume the powers and freedom of God. Sometimes, too, these ideas lead their adherents away from the world, to the formation of sects wholly preoccupied with their own salvation. But more often, and almost always at times of crisis, their effect was just the opposite. The duty of the righteous was to make the will of God prevail, to establish the Millennium by struggle. So we find these ideas inspiring the masses who took part in the Peoples' Crusades, the English peasants of 1381, the Taborites of Bohemia, Müntzer and his followers in the German Peasants' War and the Anabaptists of Münster. Over and over again these theories, however fantastic they may now

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seem, gave to great popular movements a cohesion, a hope, and, for a long time, a certainty of ultimate victory.

For this reason we must be grateful to Professor Cohn who has assembled a great mass of evidence, obviously based on a long and painstaking study of the original sources, bringing to the surface the submerged history of the people of a large part of Europe. The use which he makes of this material is another matter. Unlike many academic writers who are happily ignorant of Marxism, he is clearly well acquainted with it, and a secondary but still important object of his book is to develop an anti-Marxist polemic. This distorts his vision of the past and the present.

He begins with the bland assumption that the revolutionary is a neurotic, that any desire to overthrow an established social order, however intolerable, or any belief that this is possible, however unstable that order may be, springs from paranoia, hatred of the father or the like. He proceeds (perhaps unintentionally) to stress the hysterical and irrational elements in the medieval movements he discusses. This he does not so much by direct distortion—and indeed I would not claim to be competent to criticise his use of the sources—as by deft turns of phrase. Always, one feels, the most unfavourable possible view is given both of men and movements. On almost any page one can find such phrases as "notoriously prone to revolutionary excitement", or, "what most appealed to Müntzer in this programme was the war of extermination which the righteous were to wage against the unrighteous".

Such language, so constantly used, betrays a deep contempt and dislike for the people and for popular movements. Having established this atmosphere, he then assumes that there is no essential difference between modern Communism and the Millennial cults of the Middle Ages, that the Marxist goal of a classless society and the Millennium are identical, that the capitalist is merely a neurotic bogey like the Antichrist of the early Christians, and so forth. In this way, entirely disregarding the essential differences in the historic conditions of the two epochs, Cohn is able to use the "religious fanaticism" and "irrationality" of medieval sects as a weapon against Communism.

Imaginary World

Nobody will deny that in these social-religious movements there was an element of hysteria, but this reflects the fact that in the circumstances victory was only possible in the realm of fantasy. When the conditions for victory *in this world* do not exist, it is inevitable that the hope of victory will be projected into an imaginary world. This is in any case far less important than the fact that generation after generation of simple men fought with the utmost courage for a better life as they conceived it, and that the idea of such a life was never allowed to fade from their minds.

As for irrationality we have to remember that what seems irrational in the twentieth century may have been perfectly rational, given the knowledge and beliefs that were available, to the people of the thirteenth. In this connection, what Peter Worsley has to say about the strikingly similar movements that have been taking place in Melanesia (the groups of islands in the Pacific Ocean, from New Guinea to the Fiji Islands) in our own time is entirely relevant:

> "The limited knowledge at the disposal of the people prevents their reaching a correct estimation of reality, but within these limits they employ quite rational calculation. To evaluate the degree of rationality of the actions of Cargo adherents, one must consider the objective limitations on the actors' knowledge. Cargo cult actions and notions are only non-rational in relation to non-available absolute standards of knowledge. Within the limits of available knowledge, however, they represent reasoned interpretations and hypotheses constructed from known facts, and actions taken to test these out in practice. We have seen many times, notably for the eastern Central Highlands of New Guinea, how hypotheses about the nature of white society were tested by applying them: they were then modified, or rejected and new hypotheses formulated which were again tested out. Invalid theory was progressively eliminated. . . . The essential rationality of Melanesian thought and action is shown on a larger scale by the directional tendency of the movements, the transition from magical to political action."

It is because he deals with these movements both more sympathetically and more objectively that his book, while much more restricted in scope than Professor Cohn's, seems to me to have a much greater value.

Cargo Cults

The Cargo cults of Melanesia, of which there have been a large number since about 1870, while they vary in detail, have a common pattern. The people of an island or area, often though not always inspired by some prophet just as the Millennial sects of the Middle Ages tended to be, expect the arrival of a ship with a miraculous cargo of all the most desired goods. With its arrival a new age of plenty and brotherhood will begin, the white intruders will be expelled and the native people will be happy and free ever after. Meanwhile, in preparation for this day, a cult

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develops in which both tribal custom and European practices are deliberately abandoned, and, in many cases, a definitely anti-European movement is generated.

Such cults tend to arise among small, isolated communities whose traditional life is being disrupted, or at least threatened, by European domination. Such communities cannot at this stage hope in any ordinary way to free themselves from this domination, any more than the medieval serf could really shake off the domination of his lord. The process therefore takes place on the plane of miracle, but can nevertheless develop into an active struggle. This appears perhaps more clearly in the case of similar movements in other parts of the world, with which Worsley deals only in passing. Perhaps the most striking was the extensive Taiping Revolt in China from 1850 to 1865. Here a mystical cult developed into an embryonic national movement which was only suppressed with the greatest difficulty.

And this revolt was clearly a transitional form of struggle. Tribal and even feudal colonial societies, while they may resist imperialism, have never been able to withstand it successfully. It is only with the development of a native bourgeoisie and, above all, a working class among colonial peoples that a national liberation movement with real prospects of victory can arise. China is the outstanding example, but the same process can be observed even on the much smaller scale of events with which Worsley deals in Melanesia. One of the most valuable aspects of his book is the way in which he shows the effects of the beginning of a labour movement in the area, especially since the end of the war.

As this has spread the mystical and religious cults have declined, and, while elements of them have remained to colour the new forms, this has been to a continually decreasing extent. In Europe the Millennial movements had a history of many centuries. In the colonial countries of the modern world the period in which the conditions exist for such movements has been reduced to a couple of generations and appears to be already coming to an end. Taken together, I think that these books throw a great deal of light on what may broadly be called utopianism. Utopian ideas, of which the belief of a coming Millennium is really an early form, are essentially unhistoric. That is to say, they rise from the hopes and desires of the exploited in a class society (or those of sensitive people like More or Swift who are disgusted by the misery which such societies produce) in times when the possibility of ending exploitation does not really exist. Men construct an imaginary picture of an ideal world and then imagine a way in which that world might be realised. And because there is no relation between the imagined world and the real world these hopes are constantly frustrated and get no further than abstract hopes. Even when they take shape in active movements, like those of the Taborites or Anabaptists, the result can only be defeat and disappointment.

In the Bourgeois Era

With the development of a bourgeoisie and the bourgeois revolution in Europe a new stage was reached. At this point the utopian movements, religious or secular, begin to form a left wing within the broad revolutionary stream, representing the aspirations of the masses whose hopes are aroused and then disappointed by that revolution. In England this is illustrated by Winstanley and the Diggers on one side and on the other by the Ranters, the most millenarian of all the English sects, who had, as Professor Cohn shows, marked resemblances to the Brethren of the Free Spirit and other medieval sects. It is significant that the Ranters became prominent immediately after the defeat of the Levellers, when the earthly hopes of a victory for the left began to be abandoned. A few months after the Leveller rout at Burford the Ranter Abiezer Coppe is writing:

> Behold, behold, behold, I the eternal God, the Lord of Hosts, who am that mighty Leveller am coming (yea even at the doores) to Levell in good earnest, to Levell to some purpose, to Levell with a witnesse, to Levell the hills with the Valleyes, and to lay the Mountaines low.

Thereafter the mystical tradition declined, though I have tried to show in my recent book *The Everlasting Gospel* that it lingered on in England through the eighteenth century to find a last magnificent expression in the poetry of William Blake. But by this time, with the coming of the French Revolution we are already in a different world, in which capitalism, and with it the real working class, is considerably developed. This new stage is reflected in the outlook of the utopian socialists, who are now able to undertake a serious analysis of society, to explain the nature of exploitation and to outline a partly realistic if still unrealisable alternative. Yet even here strong traces of the old outlook persist, as in the fantasies of Fourier and Owen's conception of the New Moral World to be suddenly inaugurated. Marx and Engels showed their understanding of this element in utopian socialism in their well-known phrase about "pocket editions of the New Jerusalem".

Utopian socialism formed a bridge between the other worldy forms of the past and the scientific socialism of our own time, a bridge which, once it had been passed, became a danger because it

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constituted a way back. That is why Marx, while recognising what utopian socialism had accomplished, saw it as something which had to be fought and destroyed if the movement was to continue its advance.

Today utopianism can survive only in the most backward areas and elements, and even here is already archaic and passing away. Books like *The Trumpet Shall Sound* and *The Pursuit of the Millennium* can help us to understand why this is so, as well as the positive part that it has played at certain stages of human history.

A new opportunity for the Co-operatives

Elinor Burns

EVERY year countless lectures, reports, pamphlets and histories dealing with the British Co-operative movement make their appearance. They are read, sometimes, by convinced Co-operators, but generally they make very little impression on the wider movement. In this stream of publications, however, there are now three that stand out because they are not merely factual surveys or topical arguments. Each of them makes a critical survey of the position so far reached by the Co-operatives, and positive proposals for their advance. The first was the *Consumers' Co-operative Movement,* by Beatrice and Sidney Webb, published soon after the First World War; the second was *Consumers' Co-operation,* written by a group of economists in 1938; the third is the *Co-operative Independent Commission Report,* which was published a few months ago, and is beginning to arouse very wide interest.

The Webbs' book has a special character because, through their long experience of the trade unions and of local government, they could examine, and criticise, the consumers' movement as part of the broader Labour movement. If the proposals they made had been carried out a generation ago, the rate of development that marked the British Co-operatives up to that time might have continued. They urged the need for bold expansion into the "Co-operative deserts" in Wales, some parts of Scotland and southern England. "In the vast aggregation described as the Metropolitan area," they said, "whole districts are as yet left practically unserved by any conveniently situated branch." That was in 1921. It is still true in 1958 in Stepney, Shoreditch or Finsbury.

At the same time, to avoid overlapping of societies, they proposed amalgamation, on the basis of a county by county survey. They wanted societies to set up "works committees" elected by employees, to make suggestions to the management not only about working conditions, but "about everything in which any improvement can be proposed." They were critical of the work of the Wholesale Societies and the Co-operative Union, but were opposed to the idea of amalgamating them "in one gigantic body", as well as to the single national society for retail trade.

The Webbs' proposals never lost sight of the need to keep alive and develop members' control of Co-operative societies, and to encourage new forms of organisation, such as the groups around the shops that were then being established in Leeds. They suggested that a *Central Department of Co-operative Progress* should be set up to undertake research, and to carry out an "efficiency audit" of societies, so as to "bring home to every committee man and every official the position in which his particular society stood in comparison with others", and "to make known to all societies the various advances that are being made by any of them".

It is specially worth while to recall these proposals of the Webbs because, for one thing, the recent commission gives a new look to many of the same ideas (which even the Webbs did not invent—they grew out of the experience of the movement); and secondly because there is a danger signal in the fact that, in a whole generation, so little has been done to carry them out.

The second of the three important studies of consumers' Co-operatives, the economists' survey, also made criticisms and detailed proposals on trading methods and management, but with very little result.

The Independent Commission's Report

The whole Labour movement would be the losers, if they allowed the Independent Commission's Report to suffer the same fate.

This new Report is the work of a commission of inquiry which was set up by a resolution at

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the Edinburgh Congress of the Co-operative Union in 1955. The commission was to be made up of people not engaged in Co-operative management or administration (in this sense "independent"), to have the responsibility of "surveying the whole field of Co-operative production and marketing, both wholesale and retail", and to present a report and recommendations to the 1958 Congress. There were eight members of the commission, with Mr. Hugh Gaitskell as chairman, and C. A. R. Crosland as secretary. The Report was published in April 1958, and so became available to the whole movement a few weeks before the Co-operative Union Congress at Whitsun.

When Mr. Gaitskell introduced the Report at Scarborough he reminded the delegates that, in establishing the commission, they had said that more decisive action must be taken. He added:

> "If you want expansion then you must either agree with our proposals or put others in their place. I do not think that other proposals are likely to be adequate."

The Report itself starts with a picture of the trading position of the Co-ops, and a comparison with the multiple shop organisations. The Co-operative share of national retail trade has hardly changed since 1939. Before the First World War Co-operative and multiple shops had about the same proportion, but now the trade of the multiples is double the trade of Co-operative societies. A very illuminating table shows the Co-op share of trade, compared with multiple shop organisations and other retailers, in the main groups of retail commodities. These figures bring home only too forcibly how, since 1935, the Co-operatives have fallen behind the multiples even in food trades, where before the last war they were almost level.

On the basis of further detailed examination of the present state of the retail societies, of the capital position of the whole movement, and the development of Co-operative production and wholesaling, the commission made its recommendations: to the retail societies, to the Co-operative Union, and to the Wholesale Societies. Not all the fifty-one recommendations are of equal weight, but among the proposals to retail societies, those that deal with financial policy are of the greatest immediate importance (and will probably get the most general support). They propose that societies should build up bigger reserves for development out of surplus, and at the same time invest up to 80 per cent of their capital in Co-operative expansion, keeping 20 per cent in liquid form, instead of the 50 per cent that has been accepted as the proper proportion.

Because of the need for capital to finance rapid expansion of retailing, it is proposed that, when societies are faced with a choice between a small increase in dividend, and putting more to reserves, they should decide to increase reserves.

These proposals to the retail societies are closely connected with recommendations to the Co-operative Union and the Wholesale Societies for expansion of the movement as a retail trading organisation: in particular, the plan to establish a new federal society, jointly owned by the Union and the two Wholesales, to be known as the Co-operative Retail Development Society. This new society would provide services and advice on the technique of modern retail trading: mechanical handling, stock control systems, shop lay-out, and the planning of future capital development. It would also have responsibility for establishing "national chains" of specialist shops, particularly in dry goods (non-food trades) in order to fill the great gaps that still exist in Co-operative services.

The figures given in the report, comparing the scale of trade by the Co-ops and the multiples in drapery, clothing, footwear and pharmacy, certainly support the commission's view that the contrast can "only be described as staggering", and that in clothing and footwear particularly, only a national, or at least a regional market (as distinct from the area of a single society) would be the basis for trade on a big enough scale to begin to catch up with the multiples. As part of this whole scheme of development, the Report proposes that

> "The greater part of Co-operative capital expenditure in the next few years should take place, not in the production but in the retail field."

It follows from this that Co-operative production should concentrate on a smaller number of separate lines, and use available resources for "improving the efficiency and expanding the output of the remaining lines"—to achieve "specialised, formidable and large-scale" production of a limited number of basic goods.

The Alternatives

Although, as I have said, not all these proposals are new, the Report does bring out by new evidence and powerful arguments the alternatives that face the Co-operatives today: either continued stagnation and eventual decline in their share of national trade, or to go all out to make the British movement into a first class retail trade organisation, selling goods of high quality in attractive shops with efficient service—with the slogan "Nothing is too good for the Co-operator"—aiming to double its proportion of non-food trades and to increase food trade by a third.

It will probably be a long time before the im-

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portance of the commission's proposals is fully understood. This is not because the Report itself is at all obscure; on the contrary, it is a model of clear style and arrangement. But in the Co-operative movement, with its huge membership, ideas starting from the top take a long time before they are translated into action by societies. It will not be difficult for conservatives in the Co-operatives—those who want to hold on to things as they are, and to go on living on past achievements—to defeat the purpose of the Report simply by passive resistance.

Already at the Blackpool Congress the first reception of the Report showed that the president's warning against "inertia, complacency and vested interest" was necessary—not because there was open opposition, but because, with one or two exceptions, delegates (and the spokesman of the C.W.S.) did not receive it with any feeling of urgency.

Whether the vital changes proposed in the Report are carried out, and particularly, whether they are carried out soon enough to be effective, will depend on the efforts of progressive Co-operators everywhere. Above all, it will depend on those who understand and fight for the working class purpose of the Co-operative movement, which must be the effective driving force in any real advance, to show the importance of these proposals in relation to more fundamental aims.

Co-operative Principles

This does not mean that the Report can be accepted uncritically, or that all its proposals are of equal value. The fact that the commission interpreted its terms of reference as if they ruled out any connection with "the social and ethical ideals of the movement", leads to a number of omissions, and some inconsistencies between the "economic principles of Co-operation", which they take as the framework of their recommendations, and the recommendations themselves.

The four economic principles are: Co-operative democracy, dividend on purchases, fixed return on capital, and consumer protection. The commission considered that these principles "re-interpreted in the light of modern conditions" were still basic:

> "For the extent to which Co-operative principles are applied must ultimately depend on the Co-operative share of economic activity; and our recommendations have the one object of increasing this share to the greatest possible extent."

I think that Socialists and Communists must put it the other way round: *that the extent of the Co-operative share depends on carrying out Co-operative principles.* One of the reasons why the movement is losing ground is that too many of the people in responsible positions have adopted the outlook and ambitions of capitalist business men, instead of Co-operative principles. No amount of commercial efficiency alone can make good that loss.

The first principle is Co-operative democracy. The Report (in chapter 2) makes a vigorous case for local autonomy as an essential aspect of Co-operative democracy:

> "In an age when the general trend seems relentlessly towards centralisation and remoteness, we regard it as most desirable to preserve local organisations with local roots and local loyalties. The movement is fulfilling a real social purpose whenever a Co-operative society is looked upon as an integral part of local community life—not as a distant, remote organisation controlled by strangers from London or Manchester, but as 'our' society, with a local name, local loyalties and local men and women on its Board."

Yet the recommendations, which would reduce the number of societies from nearly a thousand to between 200 and 300 and would isolate management committees from the day-to-day activity of societies, have no answer to the problem of keeping alive the local character and connections of the Co-operatives. Undoubtedly amalgamation of certain societies is desirable. In places where there are a number of separate societies "jostling each other in the same market area", with a lot of overlapping and duplication as the result, amalgamation would bring obvious gains.

Larger units are needed for more effective competition, with more selling points and a bigger turnover. An example of the success of this kind of amalgamation is the West Somerset Society, which brought together a number of small societies, and has just added two more.

But the sweeping recommendation in favour of amalgamation on such a "large and rapid scale", even if employees and senior officials are safeguarded, may sometimes mean tearing up local roots and destroying local identity in everything but name. (The Report suggests that former societies should become "X Division of Y Society".)

Member participation

I think the commission underestimates both the value of federal activities between local societies, as a means of transition to larger units, and the whole problem of member participation. This last is dismissed as being the job of Co-operative education and outside the commission's terms of reference!

More responsibility, and more effective control in the hands of members—this is the cure for

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"apathy", which the commission seems to accept as a necessary evil. If only a small fraction of members take part in meetings and elections, they say, this does not really interfere much with democratic control, "provided that fraction is truly representative of the whole". But how is anyone to know if the fraction is representative, while the great majority never find it worth while to use their democratic rights?

In large societies today less than 1 per cent attend members' meetings or vote in elections. Most trading members, and a great many employees, regard the society simply as a business firm, over which they have no control. And in fact, members' control often exists only in name, because there is no machinery by which they can get any local contact with the society's business. The organisation of members around a shop or group of shops, with the right to discuss and make recommendations on trading questions, and to get them *clearly accepted or rejected* (not "taken back" and never heard of again, as too often happens at members' meetings) would be a step towards real members' control. How many societies, even where District Committees or Members' Councils exist, really use the experience and initiative of their trading members to improve the efficiency of their shops and services? When candidates are up for election to management committees, what chance do the members have of knowing what differences in trading policy they stand for?

It is certainly not easy, in the conditions of a capitalist country, to combine decentralisation with greater efficiency. It needs great determination, on the part of those at the top, to hand over responsibility, and to encourage new developments and local initiative.

Instead of facing up to this urgent problem, the commission's recommendations on management really mean still more remote control. They propose that meetings of management committees (always to be called Boards of Directors) should be cut down, and all sub-committees abolished, on the ground that this would enable elected committees to deal only with questions of policy and financial control, leaving management to full-time officials (of whom only the top level should be appointed by the Board).

Anyone who has served on a Co-operative management committee must seriously doubt whether, as the Report claims, this proposal "so far from diminishing the reality of democratic control, in fact enhances it".

A Board or committee of working men and women, meeting perhaps only once a month, could not hope to be close enough to the affairs of the society to have effective control over policy and finance. Policy questions arise in the day-to-day development of trading activities, of relations with employees, of changes in conditions of supply, of local facilities and needs. Committee members trying to "direct" a society, without sub-committees and without direct contact with shops and depots, could not possibly have the experience or the practical knowledge required to make reasonably intelligent decisions on policy and finance. Officials would all be compelled to adopt the attitude of the managing secretary of a fairly large society, who was asked by visitors from another society how long the weekly meetings of his Board generally lasted. "Oh, not very long," he replied. "You see, I just put enough in front of them to keep them occupied for about two hours."

Trivial and wasteful interference with the work of full-time officials by individual committee members, generally comes either from lack of experience and understanding of collective work, or —and this comes back to knowing the candidates and their policy—from having elected the wrong people. Certainly clearer definition of committee responsibilities and better preparation of material are very necessary. But to achieve the difficult aim of combining control by elected committees with a high standard of technical management means that full-time officials must be appointed, who not only have first-class qualifications, but are keen to work with their committees and not simply turn them into rubber stamps.

Price Policy

A second example of inconsistency between principle and recommendations, as set out in the Report, appears in regard to consumer protection. To quote again from Chapter 2:

> "Consumer-protection against monopoly, and indeed excessive profits or exploitation from whatever cause, should always be part of the rationale of consumers' Co-operation."

What follows? Proposals to challenge high prices and excessive profits by planning to undersell the monopolies and force reductions (as the Swedish Co-operatives have done)? Explanation of ways in which Co-operative societies can resist "excessive profits and exploitation" by solidarity action in industrial disputes (as the movement has resisted, in practice, from the days of the Dublin general strike up to the recent London bus strike)? Not at all.

On price policy the commission considers that Co-operatives should sell at the same price as their most successful multiple competitors in the same trade and area. "Never to be undersold" by any national competitor is the maxim. Most consumers, they say, would normally prefer a competitive price and lower dividend—but "they often

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mistrust a lower price as a sign of lower quality".

For some societies on some commodities (and probably for all societies on certain dry goods) this principle of accepting the level of prices set by the multiples would mean a reduction, and to that extent it would be an improvement. But in present-day conditions, when whole groups of commodities—flour, margarine, sugar, tea, soaps, tobacco, man-made fibres, to name only a few—are supplied by manufacturers to be sold at uniform prices fixed by them, this policy means that the Co-operatives would accept and maintain the price level at which the "excessive profits" of monopoly suppliers are made.

The commission's narrow view of Co-operative development in relation to monopoly is even more apparent in their arguments on Co-operative production. The movement, they say, should keep a reserve of capacity and capital against the monopoly danger, but generally this should be a reserve "of last resort". Yet the Report shows how the Swedish movement produces more than 25 per cent of national output of nine commodities, with 10 to 20 per cent of another four, and contrasts this with the British position. The high Swedish proportions "are at once the result of an active price policy, and the necessary guarantee of its continuing success". But there is not much evidence, according to the Report, that the British movement has exerted a decisive effect on monopoly price policy.

This is undoubtedly true, and the reason is not hard to find. In its later years, particularly since the First World War, the leadership of the Co-operative movement in this country has been in the hands of the right wing, who had neither the wish to challenge monopoly control (to engage in a "price war", as they said, with Unilever or Imperial Tobacco Co.) from a working-class standpoint, nor the commercial farsightedness of the Swedes in fighting their trade rivals. To argue that industry is now going to be more competitive, that legislation will control monopoly and restrictive practices, and public opinion is now "distinctly more sensitive to the drawbacks of monopoly" (Chapter 11), and therefore that Co-operative production need not be much concerned about protecting the consumer against monopoly, is to accept the outlook which, fundamentally, has held back the British movement for a generation. The Swedish Co-operatives are "non-political", but they fight for lower prices, and against monopoly control of the level of consumption. For this purpose they have seen the need to establish independent sources of supply. The Report suggests that, in the British movement, the idea of Co-operative production to defend the consumer against monopoly is perhaps only part of the movement's "restrospective mythology" and not its actual history. In any case, according to the commission, the enormous buying strength of the Co-operatives is their defence against refusal of supplies or restrictive conditions.

A more aggressive price policy, however, would not conflict at all with a number of the commission's most important proposals on the use of capital, on the character of Co-operative production, the re-organisation of the wholesale societies, and the establishment of a federal society for retail development. All these changes are necessary, not only for a bigger turnover and higher standards of goods and services, but for a *sustained policy of lower prices,* which would itself be a most important means of increasing trade.

The recommendations on the use of capital, if accepted, would not only put an end to the reactionary "rule" that 50 per cent of a retail society's capital must be readily withdrawable, and therefore not invested in Co-operative trade; they would also mean more economically produced goods, better use of productive capacity, and an appeal to the consumer based on quality and design, not on Co-operative "loyalty" alone.

To End Stagnation

These and other innovations will get support from the membership of retail societies to the extent that they are understood as a means of ending the present stagnation and starting on a new stage of expansion. But it will need clear-headed explanation, willingness to look at every proposal from the standpoint of long-term aims as well as trading efficiency, and firm recognition of *the right of members, and not committees alone,* to be consulted. All this means that the discussions that are now starting have to be carried on in every possible centre of Co-operative activity, right up to the time of the special Congress in November. Before the Congress special meetings of members will be needed to decide each society's attitude on the proposals which are to be made by the Central Executive of the Co-operative Union.

A situation is to be expected in which the strongest and most articulate support for the proposals of this commission, headed by the right-wing leader of the Labour Party, will come from the most progressive, the most politically conscious, members of Co-operative societies. Unless they seize this opportunity the whole movement will suffer a heavy defeat. But their view of the purpose for which these changes are needed, and the organisations that must carry them out, will be different from the views, implicit or expressed, in the Report.

Non-Marxists in the Co-operative movement accept, and repeat as part of their teaching, two

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ideas that have led to a great deal of confused thinking about the basis and purpose of the movement itself:

(1) That capitalist society is divided into producers and consumers (not into workers and capitalists).

(2) That profits are made out of the consumer by means of "profit on price" (not out of the worker in production).

From these ideas it follows that the Co-operative aim should be to protect *all* consumers, and that consumers' co-operation puts an end to profit-making by "giving back" the profit on price to the consumer in the form of dividend on purchase. This in turn leads to the conclusion that society can be transformed, and the capitalist system brought to an end, by universal co-operation. This was not the theory of the early Co-operators like William Thompson, who had no illusions about class society and the exploitation of the workers. It came to be accepted after the success of the first retail societies, and grew into what Lenin called the fantastic dream of co-operative socialism.

These notions hold back the movement from its real purpose of defending the *working class* as consumers, building up organisations which increase the economic and political strength of the *workers* against the employing class, and preparing for the new important responsibilities of the Co-operatives in a socialist society.

While Communists and Socialists give the most vigorous support to changes that will increase the trading strength of the British movement, and recognise that such changes are desperately urgent at the present time, they cannot accept the weakening of members' control, or partnership with big business, as the price of commercial efficiency.

The Co-operative movement here, as in other countries, will reach the fulfilment of its class aims in a socialist society. In the *British Road to Socialism* the Communist Party has shown that Co-operative societies have a vital part to play, as a form of social ownership, in building a socialist Britain.

But the movement also has a responsibility, arising from its working-class origin and aims, to defend and build up now the organised strength that will bring about the change to a socialist society. When Marx spoke about the Co-operatives (in his Address to the First International) he said that they showed, "by deed instead of by argument", that production on a large scale could be carried on "without the existence of a class of masters employing a class of hands". But that was not enough:

> "The lords of land and the lords of capital will always use their political privileges for the defence and perpetuation of their economic monopolies. To conquer political power has therefore become the great duty of the working classes."

Theoretical Problems of Building Communism

K. Ostrovityanov

(The following abridged text of a report given at a recent meeting of the social sciences sections of the U.S.S.R. Academy of Sciences was published in Pravda on June 27th. Konstantin Ostrovityanov is a leading Soviet economist and vice-president of the U.S.S.R. Academy of Sciences.)

THE decisions of the Twentieth Congress of the Communist Party of the Soviet Union and subsequent plenary meetings of the Party's central committee have outlined an extensive programme for building communism in the U.S.S.R. These decisions are a further creative development and concretisation of the Marxist-Leninist teaching on communism. In a convincing way they show that the building of communist society in our country is already not a distant aim, but an immediate practical aim of the activities of the Soviet people and their guiding force—the Communist Party.

Lenin's prediction that "socialism must inevitably grow over into communism," and that "we are marching to communism inevitably, inexorably," is coming true.

Productive Forces and Socialist Relations of Production

Communism can be built on the basis of an exceedingly high level of the productive forces,

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which ensures an abundance of products for all members of society. The attainment of this goal requires a tremendous growth of labour productivity. "The increase of labour productivity," Lenin wrote, "is one of the fundamental tasks, because without this the final transition to communism is impossible."

The great advance now taking place in the natural sciences—mathematics, physics and chemistry—and the technical progress associated with this make fully possible a rapid growth of labour productivity and the building up of the material and technical basis for communism within a brief historical period.

The main trends of continued technical progress during the transition to communism consist in the extensive employment of atomic energy in combination with electrification, in the introduction of chemical processes in the national economy on a wide scale, automation and mechanisation of production, and the conquest of outer space.

Integrated automation and mechanisation of production are a very important means of technical progress.

The development of production and the further consolidation and expansion of the world socialist system will make it possible to solve major tasks aimed at radically improving man's life on earth —to change the course of rivers, to water deserts, to use the energy of the tides, and to change the climate of the earth.

Socialist relations of production open up the widest scope for the continuous development of the productive forces at a pace unprecedented in the history of mankind.

The rapid growth of the productive forces, and technical progress in the first place, necessitates, in turn, the further development and improvement of the production relations. The course of the historical development of the socialist mode of production reveals that this or that aspect of production relations, distribution and circulation and this or that form of management of production become obsolete and cease to conform to the level achieved and to the urgent requirements of the further growth of the productive forces, and the need arises to eliminate this disparity.

The tremendous advantage of socialism consists in the fact that owing to the public ownership of the means of production the development of the productive forces and the relations of production in socialist society is brought about through the conscious planned guidance of communist construction on the basis of known laws. The most advanced and truly scientific theory of Marxism-Leninism equips the builders of communism with a knowledge of these laws. The contradictions which arise between the productive forces and the relations of production—contradictions which are not antagonistic—are perceived by society and are eliminated through planned guidance of the process of social development.

Our country is now in a new stage of economic and cultural development, characterised by rapid technical progress and an exceedingly large growth of the productive forces, which brings about the need to introduce substantial changes in the system of socialist relations of production and demands that these relations be further developed and improved.

The decisions of the Twentieth Congress and of the subsequent plenary meetings of the central committee of the Communist Party of the Soviet Union provide a striking example of the conscious, systematic guidance by the Communist Party of the development of Soviet society in its advance to communism.

A long-term plan for the development of the U.S.S.R.'s national economy in the period from 1959 to 1965 is now being drawn up in accordance with the decision of the central committee of the C.P.S.U. and the U.S.S.R. Council of Ministers. An outline of the general plan for the development of the key industries in the next fifteen years was given in Comrade N. S. Khrushchov's report, "Forty Years of the Great October Socialist Revolution". The long-term plan provides for the development of heavy industry at a more rapid pace and for a rapid expansion in the output of consumer goods on this basis. The development of the chemical industry should ensure, within the next five or six years, the production of clothing and footwear in quantities sufficient to satisfy the growing requirements of the population.

The outlines of the magnificent edifice of the future communist society are now emerging ever more clearly. Transition to communism means not only the achievements of an exceptionally high level of the productive forces but also profound changes in production relations.

Development of Two Forms of Socialist Property

In the system of socialist production relations state ownership of the means of production, ownership by the whole people, is the highest form of property, which plays the leading part in the advance to communism.

Until now our literature has stressed that there will be no fundamental differences between state property under socialism and the future communist property in the highest phase of communism, since both are forms of property belonging to the whole people. But it is impossible not to see the differences in their social content.

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State property belongs to the people, who consist of two classes, the working class and the collective farm peasantry, which is determined by the existence of two forms of socialist property in the stage of socialism.

The communist form of property belonging to the whole people signifies the elimination of the difference between the two forms of socialist property and of the differences between the working class and the peasantry that follow from it.

The way to turn the state form of property belonging to the whole people into the communist form is seen ever more distinctly in the light of the latest decisions of the Communist Party and the Soviet Government on the reorganisation of the management of industry and construction and on the enhancement of the role of the trade unions and the masses of the working people in the management of production.

The reorganisation of the management of industry and construction has opened up new and broader possibilities for enlisting the broad masses of the people in the management of production. The fact that the working out of plans now begins in the factories and other enterprises is of great importance. There has been a great expansion of the opportunities for the masses of the people to take an active part in drawing up plans, mobilising internal resources and introducing the best experience, and for them to display their initiative in this.

In the course of the gradual transition from socialism to communism, the participation of the masses in the management of the economy is becoming ever wider and deeper. A number of aspects of social functions, formerly performed by state agencies, are gradually being taken over by trade union and co-operative organisations and other mass organisations of the working people. The trade unions, for example, supervise the observance of labour legislation, guide the state social insurance system and arrange sanatorium and health resort treatment and holiday facilities for the working people.

Co-operative collective farm property will also have to travel a definite road of the *socialisation* of production in its *socialist* form, so as to reach, in the first place, the level already attained by state property, by property belonging to the whole people, and subsequently the level of the general communist form of people's property. The basis of this process is the collective farm system, which is necessary for the creation of an abundance of agricultural produce, the development of the commonly-owned economy of the collective farms and the creation of social forms for serving the personal everyday needs of the collective farmers. The historic decisions of the February meeting of the central committee of the C.P.S.U. on the further development of the collective farm system and the reorganisation of the machine and tractor stations are an important landmark on this road. Now that the collective farms are able to buy tractors and other farm machinery, the development of the productive forces of agriculture will proceed at a still more rapid rate.

The continuous growth of the productive forces and the application of all the achievements of science and technology on the collective farms will serve as a basis for improving the process of the *socialisation* of collective farm production in its *socialist form*, the conversion of collective farm labour into a variety of industrial labour and the growing over of co-operative collective farm property into property belonging to the whole people.

The growing over of co-operative collective farm property into property belonging to the whole people can be seen in the case of the changes in the content and social nature of the indivisible funds which, as regards their character, are drawing nearer to property belonging to the whole people. Joint enterprises of a number of collective farms (power plants, hydro-engineering installations, highways, etc.), which go far beyond the bounds of co-operative collective farm property, are becoming widespread. These tendencies will increase as collective farm production progresses. As the commonly-owned enterprise of the collective farms develops, the subsidiary husbandry of the collective farmer will become economically disadvantageous and he will give it up voluntarily.

As a result of these processes which are taking place in the town and in the collective farm village, the essential distinctions between town and countryside and between the two forms of socialist property will be eliminated, and the distinctions between the working class and the peasantry will gradually be effaced until the transition to a classless communist society based on a single form of ownership—communist ownership—of the means of production is completed.

Commodity-Money Relations during the Transition

The question of the role and future fate of commodity-money relations during the transition from socialism to the highest phase of communism arises in connection with the measures of the Communist Party and the Soviet Government which concretise the ways of building communism, and in particular with the sale of means of production to the collective farms.

The question of the reasons why commodity-money relations are preserved in socialist society

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has proved to be a most disputed one among economists. As a result of the economic discussion held in 1951 the overwhelming majority of economists came to the conclusion that the reason for commodity production and circulation should be sought in the forms of ownership of the means of production and the products of labour existing in socialist society.

The idea of converting the collective farms into state farms has gained currency among some economists in recent years in view of the rapid growth of the state farms, particularly on the virgin lands. There has been talk to the effect that soon only one state form of property will remain and there have been attempts to explain commodity production proceeding on the basis of one form of state property.

In the light of the Party's latest decisions on the development of the collective farm system and the reorganisation of the machine and tractor stations it is becoming clear that co-operative collective farm property can grow over into the communist form of property belonging to the whole people without being turned into state property. This is fresh proof of the correctness of explaining commodity production on the basis of the forms of property in the stage of socialism.

The idea has gained wide currency in recent years that commodity circulation is allegedly incompatible with the prospects of going over from socialism to communism. Such a formulation of the question is wrong. The dialectics of the development of the socialist economy consists precisely in the fact that we shall arrive at the withering away of commodity production and money circulation in the highest phase of communism as a result of the utmost development of commodity-money relations in the socialist stage of development.

The carrying out of the vast programme outlined by the Party for accomplishing within the shortest possible period of history the main economic task of the U.S.S.R. and building the material and technical basis of communism, requires that the widest possible use be made of the operation of the law of value for the advancement of socialist production. The same applies to agriculture. At the present time, cost accounting in collective farm production has become a most acute problem. One of the reasons impeding the introduction of cost accounting is the multiplicity of procurement prices.

In accordance with the decision of the plenary meeting of the C.P.S.U. central committee, the multiplicity of prices is being abolished and uniform prices, differentiated according to districts and zones, are being established. The changeover to new uniform prices will undoubtedly be a great factor in stepping up collective farms and the collective farmers to increase output.

There is an ever-increasing tendency in the practice of collective farm production to estimate the work done by collective farmers in the commonly-owned husbandry in terms of money. The share of payment in kind per workday unit is declining as compared with the share that is paid in cash. Many collective farms are following the practice of making monthly advances, i.e. the distribution of products and money per workday unit. Some collective farms have already gone over to a new system of guaranteed monthly money payments for work done, which calls for new forms of establishing output and rates of payment. All this is conducive to bringing the status of co-operative collective farm property closer to that of state property as represented by the state farms.

An ever-increasing role in satisfying the growing demands of the population will be played by the broad expansion of trade through which the ever-growing mass of consumer goods is being distributed. The importance of developing Soviet trade from the point of view of the transition to communism lies in the fact that in this way a ramified apparatus will be created which, in the highest stage of communism, can be used for the direct distribution of products according to needs, without commodity and money circulation.

The increasing role of the law of value, and the commodity-money categories associated with it, in the period of transition to communism, does not at all imply the abandonment of centralised planning of prices or the conversion of the law of value into a regulator of the distribution of the means of production and manpower among the several branches of the national economy. Such ideas, which have become widespread among Yugoslav and certain other foreign economists, imply the unleashing of elemental forces, with all the resulting consequences, and constitute a revision of the Marxist-Leninist teaching on the laws of socialism.

Ending Essential Distinctions between Mental and Physical Labour

A major problem of building communism is the elimination of the essential distinctions between mental and physical labour, and the raising of the cultural and technical level of all the working people to the level of knowledge of industrial and agricultural specialists.

As a result of the new technical revolution now taking place, conditions are being created for the further socialisation of labour and for fundamental changes in the nature of the functions of those taking part in production. The basic

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trend of these changes consists in the fact that occupations and particular types of labour are, to an ever-increasing extent, acquiring common scientific and technical features and the occupational scope of the worker is being extended. Knowledge of the fundamentals of mathematics, electronics and cinematics is becoming necessary for skilled workers in almost every branch of material production. The worker's labour is being based to an ever greater extent on the use of automatic control of various kinds and on scientific knowledge and new technology, and is increasingly being transformed into scientific and technical activity.

In the classics of Marxism-Leninism tremendous importance, in solving this problem, is attached to the improvement of the wellbeing of the working people and the shortening of the working day. The development of telemechanics and electronics and the increasingly wide use of automation hold out the promise of nearly halving the working day.

The measures to reduce the working day to seven and to six hours that are being carried out by the Communist Party and the Soviet Government, together with other measures, and particularly those for the development and improvement of secondary and higher education, are a step forward towards eliminating the essential distinctions between mental and physical labour. One of the necessary pre-requisites for the transition to communism is the transformation of labour into a prime vital necessity and the realisation of the communist principle: "From each according to his ability, to each according to his needs."

Lenin wrote: "From capitalism mankind can go over directly only to socialism, i.e. to common ownership of the means of production and the distribution of products according to the labour each performs. Our Party look further ahead: socialism must inevitably grow gradually into communism, whose banners are inscribed with: 'From each according to his ability, to each according to his needs'."

In the stage of socialism labour requires material incentives. Only when the growth of the productive forces brings about an abundance of consumer goods, and when labour becomes a prime vital necessity for all members of society, that is to say, when everybody works according to his ability—only then will it be possible to go over to distribution according to needs.

Socialism abolishes the inequality connected with private ownership and capitalist exploitation. But it still retains a certain inequality in the remuneration of labour connected with the differences in the abilities and qualifications of the worker, the size of his family and certain other factors.

As we advance to communism, the gulf between maximum and minimum wages will be reduced by further raising the wages of the lower-paid workers, which will be brought about by the growth of production, the lowering of production costs, the cutting of the staff apparatus and the reduction of the excessively high incomes of various groups. However, the tendency to reduce the differentiation in the remuneration of labour during the period of transition to communism by no means implies a tendency towards equalisation of consumption. Even in the highest stage of communism, when the communist principle of distribution according to needs is realised, there will be no equalisation, since the requirements and tastes of people will differ.

Prospects for the Development of the World Socialist System

A tremendous factor for successfully building communism in the U.S.S.R. and building socialism in the people's democracies is the formation of the world socialist system and its rapid development. The importance of this factor will grow more and more in the future.

The countries of the socialist camp have now taken the road of co-ordinating their long-term economic development plans with a view to a more rational utilisation of the available production capacities and economic and natural resources in the interests of each country and of the socialist camp as a whole. The co-ordination of economic plans is a new and very effective form of economic co-operation among the socialist countries, and it is not available to the countries of the world capitalist system. It makes it possible to eliminate unnecessary duplication in the production of many important industrial items and to change over to more thorough specialisation and co-operation in production.

It has been proved by history that the viability and strength of each social system are expressed not only, and not so much in the dimensions and volume of production already achieved as in the rate of its development and advance. The rate of the development of the countries in the socialist camp far exceeds that of the capitalist countries. In estimating the prospects of the economic competition between the two systems one must not lose sight of the fact that in contrast to the cyclic character of capitalist expanded reproduction, the law of socialism is uninterrupted expansion of socialist production. In the competition between the two systems a tremendous contribution is being made by the people's democracies.

It can be reckoned that the implementation of the programme for economic and cultural devel-

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opment outlined by the Twentieth Party Congress and the fulfilment of the economic development plan for 1959-1965 will bring considerably nearer the successful accomplishment of the basic economic task of the U.S.S.R., and that later the implementation of the general long-term plan for the next fifteen years will ensure the accomplishment of that task. In the first half of the seventies of this century the Soviet Union can outstrip the United States in output per head of the population. . . .

Every year the world socialist system is demonstrating in a more and more striking way its superiority in the competition with the world capitalist system. With our advance to communism the ideas of scientific communism will win over ever greater masses of people. Capitalism has outlived its day. The future belongs to communism.

Discussion

[We have now closed—for the present—the discussions on Philosophy and on Morals.

The following article by Harry Pollitt opens a discussion on the problems facing Trade Unions. We hope that many Trade Unionists will send in contributions to the discussion, on any aspect of this question.]

Whither Trade Unionism?

Harry Pollitt

Introduction

THIS vital question, Whither Trade Unionism? is now raised in a sharper and more important manner than for a very long time past, and trade unionists will be compelled to face and solve the acute and serious problems which confront them unless they are prepared to face heavy defeats, suffer great disillusionment, and see a continuance of the chaos and confusion that at present marks trade union policy and structure.

Just consider for a moment some recent events of urgent concern to every trade unionist in Britain. The Cohen Report with its blatant policy of wage restraint and deliberate creation of unemployment; the Tory Government equally aggressive in taking over the Cohen Report and operating it, lock, stock and barrel alongside its traditional class policy of divide and rule and its continual threats to use the state machine to defeat the workers.

It should be remembered that the Cohen Committee was not appointed out of the blue, but represents the most influential financial interests in the City of London. It was deliberately chosen to do the job that is now notorious throughout the Labour movement. It is no accident that the Cohen Report has been so quickly followed by the Study by the Inns of Court Conservative and Unionist Society. This Study, written by what the *Economist* (June 14th 1958) calls "a group of influential Tory lawyers", is a further warning of the dangers to which trade unionism is going to be subjected. In effect it is meant to destroy the power even of the existing trade unions, and is in reality a Charter for Blacklegs. It will be a profound mistake to under-rate its significance in appearing at the present time.

But serious consideration needs to be given to the conduct of the London busmen's strike, involving the leadership of the General Council of the Trades Union Congress as the most shameless display of pure sectionalism and repudiation of class solidarity on a national scale, such as we have not seen for a long time, carried out so deliberately and cunningly.

Alongside of this stands out like a beacon light of guidance for the future the magnificent solidarity of the Meat Van Drivers and Porters, the London Dockers, the London Busmen, and the nationwide experience of support and financial assistance from the factories and trade unions to the London busmen in particular.

This latter feature of the bus strike was all the more remarkable because so many disparaging remarks have been made to the effect that the majority of the present trade unionists have not been "blooded in class battles like their fathers were in 1921 and 1926 and the years between the two world wars in general." The fact which stands out a mile, however, is that events have proved

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that the old fighting spirit of the rank and file is still there, but that their leadership is still of the same character as that which was responsible for Labour's defeat in the period between the two world wars, both industrially and politically.

Trade Union Structure

Now (but not for the first time, of course) the whole problem of the strategy and tactics, the structure and the leadership of the trade unions arises in its sharpest form. It is no easy matter either to tackle or solve. In this connection it may help to recall how sometimes this problem has arisen in the past.

I remember when I was a delegate of the Boilermakers Society to the Hull Trades Union Congress in 1924, the enthusiasm with which the following resolution was passed:

"This Congress declares—

(*a*) That the time has arrived when the numbers of trade unions should be reduced to an absolute minimum.

(*b*) That the aims should be as far as possible organisation by industry, with every worker a member of the appropriate organisation.

(*c*) That it is essential that a united front be formed for improving the standards of life of the workers.

(*d*) And accordingly instructs the General Council to draw up:

(i) A scheme for organisation by industry, and

(ii) A scheme which may secure unity of action without the definite merging of existing unions, by a scientific linking up of some to present a united front."

That resolution, so clearly defined, was considered by the General Council of the Trades Union Congress for three years, before it brought its opinion before the Edinburgh Trades Union Congress in 1927.

It then stated that "the Hull resolution placed upon it an impossible task".

And I suggest that phrase "impossible task" throws a floodlight of meaning on the volume of prejudice, craft rivalries, demarcation lines, sectionalism and class collaboration theories which have bedevilled every attempt to bring the whole trade union movement into line with the requirements of modern capitalism in resisting the demands of the workers, its strategy and tactics, which are always based upon a clear ruling class outlook and practice.

It should not be forgotten that between 1924 and 1927 the General Strike had taken place. The amazing solidarity this displayed for nine days by trade unionists supporting the locked-out miners by strike action, undoubtedly frightened the employers, as it did some of the Labour leaders. There was a short period of freezing of activity on both sides, but also a serious determination not to promote any reorganisation of the trade unions, make them more united and efficient, more class conscious, because this was thought to be too dangerous.

It became clear that very little positive change would be coming out of the Hull resolution, especially when in 1928 the Trades Union Congress under the leadership of its General Council went in for full support for capitalist rationalisation and Mond-Turnerism, which resulted in the penetration of capitalist ideas into the trade unions, for which we are paying some of the price today.

However, in the Second World War period, many new ideas in trade unionism were being exchanged in the factories, prompted also by a growing recognition of the potential power of trade unionism, especially with the problems it would face in peace-time.

So at the Southport Trades Union Congress in 1943, the following resolution was adopted:

"Congress, having in mind the still wider functions and responsibilities of the trade union movement in the post-war period, calls upon the General Council to take immediate steps to examine trade union structure and to report subsequently to Congress with special regard to:

(*a*) Uneconomic overlapping and competition.

(*b*) What amalgamations are desirable.

(*c*) Structural or other changes necessary to ensure maximum trade union efficiency in the future.

This resolution was given serious consideration by the General Council of the Trades Union Congress, and they introduced a comprehensive document at the Blackpool Trades Union Congress in 1944, under the title of "Interim Report on Trade Union Structure and Future Unity."

From our standpoint the suggestions contained in this Interim Report were timid and too cautious, hedged around as they were by the mass of prejudice that had to be borne in mind and overcome. Nevertheless, taking all things into consideration, the Report represented a certain advance, and if there had been wholehearted conviction behind its adoption on the part of those leaders in the best position to carry it out, there can be no doubt that the trade union movement could have been in a stronger and more united position than it is today. But in most of its important suggestions it has remained a dead letter because of the lack of a socialist outlook and class understanding, inter-union rivalries, fear of losing personal positions, and a refusal to sternly face up to modern requirements.

Meantime the capitalist class, which the trade union movement was formed to fight against, has

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continually united its own ranks, played off one trade union against another, and used the press, radio, television and religion for all they are worth against the best present and future interests of trade unionists as a whole. The capitalist class has worked in unity with its Tory Government and the state machine.

At the same time it must be remembered that capitalism as a social system is weaker and not stronger, and it is their knowledge of this that makes the capitalists more determined to unite and strengthen their forces against the working class, because the stronger and more united the working class becomes, the more effective does it become in defending and improving its standard of life and advancing on the road to socialism.

Denial of Socialist Principles

But it is precisely at this moment that so many of our most prominent Labour leaders are fundamentally denying both socialist principles and the imperative necessity of a socialist class approach and solidarity. They almost persuade the workers to believe that the problems which capitalism itself has produced are the workers' own problems, and that they must be prepared to make sacrifices in order to help the capitalists to solve them. These leaders are more afraid of the workers than they are of the capitalists. They seek to disorganise and disarm the workers from using their full power to fight the capitalists, try to frighten them with the power of the state machine, as Robens did recently in the *News Chronicle*. They talk gravely about wage restraint under a Labour Government, while the capitalists take full advantage of this to impose a virtual wage freeze policy now by their Tory Government.

When I was a lad it used to be said if something was good, real and select, that it was "eighteen carat". Now the Labour leaders go all out to ensure that the working class becomes the solid support of 3 per cent wage increases in capitalist Britain.

All these efforts to try to make the trade unions "efficient" in the running of capitalism, will fail in the last analysis—but in the meantime there is a terrible price to pay.

All this "wooing" of trade union leaders, "paying tribute" to their "statesmanship", their "moderation", may have its effect for a time, but when it comes to the showdown, note how the capitalists show their teeth. Their lavish praise of Greene of the National Union of Railwaymen, and —when he is involved in a strike—their shameless abuse of Cousins is of course a clear case in point.

I know the action of Mr. Greene in refusing to give the lead in calling out the members of the N.U.R. working on the London Tubes is attempted to be justified on the ground that he was thinking about the unity of his union, but objectively his actions were based upon a purely sectional outlook which played into the hands of the employers and the Government. The actions also of Mr. Cousins in damping down the desires of his own members working in Power Stations and on the London Tubes objectively did the same, and such positions have to be understood and faced if we are to avoid a repetition in the future.

The workers will learn in a very hard school. Many illusions are now being dispelled. Many dreams of "overtime permanency" are being smashed in the bitter experiences of short time and redundancy.

But it wouldn't have been so hard if there had been more socialist propaganda throughout and by the entire Labour movement—and until it is done, these things are certain:

First, it will be harder to bring about the drastic reorganisation of the trade union movement that is so urgently necessary;

Second, the daily struggle against capitalism will become more difficult;

Third, the movement for the transition from capitalism to socialism will be even longer delayed.

There must be a clear understanding that higher wages and better conditions should be won wherever there is the slightest chance and not sacrificed to political ends. This is the idea of the class struggle. With all its mistakes in leadership, the General Strike in 1926 did stop other sections of the workers being attacked as the miners were. Just as in the recent bus strike, many other sections of the trade union movement gained improvements in their conditions as a direct result of the strike of the busmen.

There must be a building up of working class power now, and no toleration given to arguments about what particular measures can be taken in the next five years if there is a Labour Government. The emphasis must be on working class power and the perspective of socialism as the means through which to win shorter hours and decent wages.

The Importance of the Factories

One thing is abundantly clear: this movement for a new class understanding and reorganisation will have to come in the first place from the factories and local and divisional trade union and Trades Council organisations. For if it could have been done by leaders at the top, it would have been done long ago. This is why there is such an immediate need for the class-conscious workers doing all they can in the places where they work

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to set up factory organisation and Shop Stewards Committees that can begin to act as if the present structure of the trade unions was already unified.

For unless we can set the example in the places where we work of amicably solving inter-union questions, demarcation lines, craft privileges and restrictions and 100 per cent trade unionism, then it will be a long time before they are settled and the full power of the workers exerted on behalf of all the workers in a given factory or industry.

I understand how the whole system of demarcation practices came into existence. They were at the period of developing trade unionism—an essential element in its defence. But a time can arrive with the constant development of modernisation, and I believe in many cases that time has now been reached, when the existence of many demarcation questions can become a barrier to the workers in their struggle against capitalism. The problems which arise from them can only be successfully overcome if they are amicably settled between the workers on the job themselves, and every encouragement should be given for this to be done so that the full force of all the workers in a factory or industry is exerted against the common capitalist class enemy, and never split or directed against particular sections of workers.

The more effectively the workers are organised in unity in the factories, the more powerful can their Shop Stewards organisation become, and the greater will be the impetus to attend trade union branch meetings to fight for the closer unity and amalgamation of the workers' organisations concerned. For workers who win powerful factory organisation and ensure the successful working of their Shop Stewards, are not going to be content only with such unity on a factory level—they are going to insist upon it being reflected in the trade union organisations as a whole.

Especially is it on the job that the vital question of class unity can best be understood, explained and acted upon. It is in this school of factory experience that the new trade union leaders can be educated, tried and brought forward. Not in the idea of being able to run capitalism more efficiently than the capitalists do themselves, but to fight capitalism, defend the position of the workers and be able to ensure the constructive role of the trade unions under socialism.

One of the tragedies of trade union life and experience, because of the absence of such an outlook, is that many leaders forget the class which elected or appointed them, and thereby become easy prey to the wiles of capitalists, parsons and priests.

To achieve such changes in outlook and organisation in the factories calls for great personal and collective effort on the part of all trade unionists. It needs greater attention to principles and less seeking of official jobs. Many corns will have to be trodden on, many prejudices overcome, sectionalism abolished and a re-dedication to the age-old trade union slogan of "United We Stand: Divided We Fall".

But if we can get this outlook in the factories in the first place it can sweep official barriers of restrictive craft and sectional outlooks on one side. It will reflect itself in the Branch meetings and activity of all trade unions; it will speed up trade union amalgamation and a reorganised General Council. And those militant trade unions who give to such principles their wholehearted support will soon realise how truly they are carrying forward the banner of the militant trade unionists of the past.

Trade Union Amalgamation

To change the structure of trade unionism in 1958 is a task of great magnitude, calling for faith in the working class, in class principles, one's own union, and in socialism.

At present there are 8,304,709 trade unionists affiliated to the Trades Union Congress in 185 different trade unions. Whilst these undoubtedly represent the basic forces of British trade unionism, we must not forget that it is estimated there are millions of workers not organised in any trade union. Also that very important educational, technical and civil service trade unions are not affiliated to the Trades Union Congress (although in our opinion they ought to be); they will never be able to fulfil their full responsibility until they are. And this applies not only to their own members, but to the trade union movement as a whole, and perpetuates the division between workers by hand and brain, which it is essential to wipe out if there is to be any successful advance to socialism.

We have not the space to deal with all the problems confronting the trade unions in one issue of *Marxism Today*, and we are sure other comrades will weigh in with their suggestions. But any serious consideration of the trade groups into which the Trades Union Congress is organised, at once prompts the question: "What justifies so many trade unions?" Why cannot there be one union for all workers associated with the mining industry? What justifies three railway unions? Why so many unions in engineering and shipbuilding? Why so many in the cotton and printing industries? Why so many general unions—and so one could go on.

Is it not more than high time that those who support such divisions came out openly and explained why? If there was complete unaniminity and solidarity among all these trade unions in the

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daily struggle against capitalism, there might be an excuse for the present multifarious situation. But when one knows the relationship between the three railway unions, or recalls the situation between the railway unions and the Transport and General Workers' Union during the bus strike, the whole position really makes you think.

The railwaymen got a 3 per cent increase on their wages by agreeing in fact to paying for it themselves through the unemployment of their own members! And if the busmen had not been out on strike, they and other workers might not have got the 3 per cent.

Can any valid argument be produced as to why there could not be an amalgamation of the Boilermakers, Shipwrights, Blacksmiths and Constructional Engineering trade unions? What is the present stage of negotiations between some of these unions? Do the rank and file know about this? Have they been consulted? Has the whole position been explained to them? Similar questions could be asked with regard to a whole number of trade unions.

Confederation

One consequence of the refusal of the General Council to lead in the reorganisation of the trade unions on a class basis, and of the trade union leaders to agree to any effective reorganisation of the trade unions, was the rise of various confederations as the alibi to this. This is dangerous, because while confederations appear to be a great improvement, in reality they move as slowly as their most reactionary members. There is a great waste of time, and the officials seem more busy dancing round each other than they do in organising or uniting their members on a more effective basis.

Sometimes it is argued that confederation of trade unions is the best step forward. This may be so, but it is only a tentative step forward, and has many serious limitations, as the experience, for example, of the Confederation of Engineering and Shipbuilding Trade Unions clearly shows to all who know the workings of that organisation. What is most serious about confederation is that once accomplished, it is looked upon as the end of trade union unity and not as a step towards complete amalgamation of those trade unions which are ripe for such amalgamation. Because even with confederation, as long as the class basis is not there, even with a semblance of unity, the old craft difference, differences between skilled and unskilled, and inter-union rivalries are still there. Vital decisions are taken on the votes of affiliated trade unions by numbers, and not on the principles and the policy of equal voting.

Trade Union Branch Meetings

In some important trade unions the vicious principle of compulsory arbitration is accepted, and what in my opinion is equally bad, the deduction of trade union dues takes place in the offices of the employers, and not in the Branch meetings of the trade unions involved. This cannot help but have a bad effect upon what is already a blot on trade unionism, namely, the appallingly small attendances at trade union branch meetings; the infrequency of such meetings; and the very low votes recorded on policy questions and the election of trade union officials at all levels.

The question of attendance at trade union branch meetings, and a transformation from listening to E.C. correspondence, to taking part in policy making and the key affairs of the trade union, the industry and the nation, is of paramount importance.

Trade Union Branch Conferences

A new approach is also needed to the annual and biennial conferences of trade unions. They play an important role in the work of the trade unions. They are looked upon as the sovereign policy-making organisations of the trade unions concerned, but far too often important decisions on wages, redundancy, East-West trade and peace etc., remain paper decisions and are either forgotten, or if they are inconvenient to the right-wing leaders, are deliberately flouted.

Such conferences, as well as the Trades Union Congress, should not be looked upon as "the annual jaunt to the seaside", but as the gathering together of the trade unions, so that their decisions succeed in strengthening not only particular trade unions, but the trade union movement as a whole. Their decisions should be explained and popularised so that every trade unionist is deeply concerned with the policy of his trade union and the character of the personal and collective contribution they can make towards carrying them out in the factories and at all levels of the trade union organisation and leadership.

The General Council

Here let us say a word or two about the General Council of the Trades Union Congress. I remember the great propaganda campaigns the militant trade unionists caried out in the early 1920s around the slogan of "All Power to the General Council". Until 1921 there had been in existence since 1868 the Parliamentary Committee of the Trades Union Congress. It had little authority and practically no power. Thanks to the propaganda carried out by the militants, this Committee, at the Trades Union Congress at Cardiff in 1921, was formed into the General

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Council, and despite its limitations, great expectations were aroused. But I think the betrayal of the General Strike in 1926 seriously minimised the great hopes that had previously persisted.

However, it has progressively increased its role, even if this has been in a consistently reactionary direction, and today is accepted as the highest authority in the trade union movement, although it also reflects the grave limitations of its composition and the sectionalism and rivalries inherent in the existing situation of its affiliated trade unions.

At the present time it consists of thirty-five members, representing nineteen trade groups. In the Rules of the Trades Union Congress (Rule 8), dealing with the duties of the General Council, it states among other things, the following:

> (*d*) They shall promote common action by the trade union movement on general questions, such as wages and hours of labour, and any matter of general concern that may arise between trade union and trade union, or between employers and trade unions, or between the trade union movement and the government, and shall have power to assist any union which is attacked on any vital question of trade union principle.
>
> (*e*) They shall assist trade unions in the work of organisation, and shall carry on propaganda with a view to strengthening the trade union movement, and for the attainment of any and all of the objects.
>
> (*f*) They shall also enter into relations with the trade union and Labour movements in other countries with a view to securing united action.

The most cursory glance at these duties reveals at once how they are so wantonly ignored by the General Council. In fact, when the General Council intervenes in an official trade union strike or lock-out, it is never for the purpose of strengthening the resistance of the trade unionists, extending solidarity actions, and operating its own rules and duties, but always for the purpose of getting the strike called off on any terms.

The role of the General Council in the recent bus strike is a classic example of what it considers its role to be.

When the press announced that the General Council of the Trades Union Congress was going to discuss the bus strike, no trade unionist found his blood tingling with excitement because he thought: "This is it. Now we are going to see the whole power of the Trades Union Congress brought to bear behind the bus strikers". Why was this the case? Because the trade unionists instinctively knew that nothing of the kind was contemplated, that the General Council would try and prevent any solidarity extension of the strike taking place, and would put pressure to bear on the Transport and General Workers' Union to call off the strike at any price.

This is what took place in fact. It was a betrayal as shameful as the General Strike of 1926, but it demands also that serious lessons shall be learned and acted upon to prevent any repetition of such shameful betrayals in the future.

Class Leadership

We still stick to our early conception of a General Council of the Trades Union Congress as the class leadership of the movement as a whole. But an end needs to be made of its present composition and methods by which it is elected. It should not be "a prize for old trade union leaders" who are content to leave it to the back-room boys who have never seen an oil rag in their lives, to make reactionary policies, while the General Council meets once or twice a month, draws fares and expenses, and that is that.

An end needs to be made whereby before and during the Trades Union Congress, there is such a bargaining for seats on the General Council, or where in so many groups no competitive elections take place at all. The misuse of the bloc vote, and "You vote for our man and we will vote for yours" methods should be abolished. Affiliated trade unions have the right to nominate candidates for the General Council, but the rank and file of those unions should be consulted and have the right to vote upon such nominations. If such methods were adopted, there would be no General Council members returned unopposed.

The General Council should consist of the most tried, trusted and experienced leaders. Those who know what the class struggle is, are convinced socialists, with a working class outlook that nothing can corrupt or tarnish.

It should act as the Cabinet of the trade union movement, leading it in accordance with the decisions of the Trades Union Congress, and ensuring that the "back room boys" carry out policy and not make it.

If capitalism considers it necessary to have a Cabinet in which its members also assume ministerial responsibilities, there is no reason at all why we could not have a General Council with its members also able to carry out their principal trade union responsibilities.

Such a conception of a General Council would have many serious obstacles to overcome—sectional prejudices to abolish—the examination of every issue and policy from the standpoint of class and not craft. But at least such obstacles are in the main self-imposed and could be overcome. To help achieve this and other suggestions made in this article, there is urgent need for a

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great educational campaign among all trade unionists, in which the militant socialist members take a leading part. It is necessary to recall again and again what the functions of trade unions really are. They are not to collaborate with capitalism and its state machine; they are not to ape the capitalists; they are not to spread capitalist ideas, or be used as conscious or unconscious instruments for capitalism. They are to improve the living standards of the trade unionists, to defend the gains of the past, to deepen class consciousness, to unite the workers in their struggles against capitalism at all levels. They are to educate and train the workers in socialist ideas and thus hasten the development through which capitalism can be replaced by socialism.

Conclusion

There is need for some of the old pioneering spirit of the past. In writing this article I am reminded of an old Socialist, Joe Burke. During the First World War and for some years afterwards, Joe made a practice of visiting every trade union branch meeting he could. He carried a big bag packed with pamphlets and literature dealing with some aspects of trade union and socialist policy. He always sold some. In this way he trained many trade unionists to become propagandists for militant trade unionism and for amalgamation of trade unions which became such a feature after 1918, but about which far too little is done at the present time. I never hear "Joe Hill" sung without thinking of Joe Burke.

That the basis is there is proved by the constant series of strikes, both official and unofficial, in which the trade unionists are taking part. The tragedy is that so many are unorganised in character, even in the same trade unions, and there is insufficient unity in carrying them out. All recent experiences in the docks, motor and transport industries bear this out.

There is urgent need of a great educational campaign being carried out among all workers as to the meaning and present and future strategy and tactics of trade unionism. In this modern age of atomic energy, of automation, of the ever closer unity of the employers' organisations and the state machine, the old methods and organisation of the trade unions no longer meet modern requirements. If a lot of the attention of certain trade unions now given to educating their members in capitalist ideas of efficiency and management, was spent on education regarding working class problems and necessities, there would soon be a drastic change that would augur well for working class victory over its enemies.

It needs to be remembered that the capitalists always seek to solve their problems at the expense of the working class. And they are only successful in doing so because of the existing reactionary leadership and out-of-date and divided trade unions.

The whole situation in which we live is one where there can never be any let-up in the struggles of the working class. Capitalism in its decay is bound to attack the workers more and more. It will more and more continue to divide and rule. We have it in our power to prevent this if we will.

There is no sectional interest, no personal position or craft outlook that ought to be allowed to stand in the way of the full unity and power of the workers from being used. It means many personal sacrifices, but they were freely given by old pioneers, such as the Tolpuddle Martyrs, to achieve and establish the first trade unions.

The same spirit is needed now. The tremendous changes in the structure of capitalism, its strategy and tactics, its more blatant use of the state machine and reactionary Labour leaders, demands a tremendous and speedy change in the situation, strategy and tactics and leadership of the whole trade union movement.

In this article there is not the space to deal with such questions as the role of the Trades Councils, the organisation of the unorganised, the place of women and young workers in the trade union movement—and it will be necessary to deal with them in the future.

To sum up I suggest that the whole situation the trade unionists have to face at home and abroad urgently demands they all take an immediate part in fighting for the achievement of the following principal aims:

1. The setting up of united and powerful factory organisation, led by strong and united Shop Stewards' Committees.
2. Acceptance of the principle of one trade union for each main industry, and the speeding up of the amalgamation of kindred trade unions within these industries.
3. The reorganisation of the General Council of the Trades Union Congress, so that by the character of its composition and policy it can act in reality as the unifying leadership of the Trades Union Congress.

If this article succeeds in introducing some urgency into the vital issue of Whither Trade Unionism? and leads to further suggestions and a revival of interest, then it will have served the purpose we had in mind.

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